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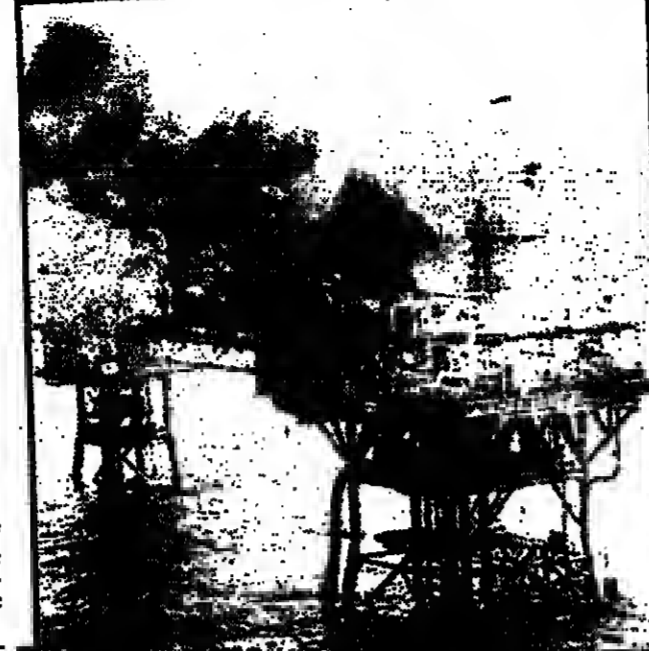
No. 32,704 16/88

PARIS, TUESDAY, APRIL 19, 1988

ESTABLISHED 1887

Israel Turns 40, United by History But Torn by Doubt

By Francis X. Clines
JERUSALEM — Forty years after the perilous founding of Israel, the state's pioneer generation finds itself less nostalgic than consumed in dispute about the hazards of wielding power in a watchful, critical world.



changed the character and even the meaning of the state of Israel. Not so, said Rabbi Shlomo Goren, a gray-bearded optimist precisely where Mr. Leibowitz is a pessimist, at the instant when Israel tripled its size after that 1967 war by taking control of the West Bank and Gaza territories and their now-rebellious Palestinian inhabitants.

U.S. and Iran Clash in Gulf; Reagan Issues Stern Warning

By George C. Wilson
WASHINGTON — U.S. and Iranian forces engaged in unprecedented clashes in the Gulf on Monday, and President Ronald Reagan warned Iran that other attacks might follow if it continued to threaten U.S. interests.



An oil platform in a United Arab Emirates' oil field burns after being attacked by Iranian gunboats. Below, Defense Secretary Frank C. Carlucci, left, and Admiral William J. Crowe Jr., chairman of the Joint Chiefs of Staff, at a briefing on the day's activity.

Kiosk

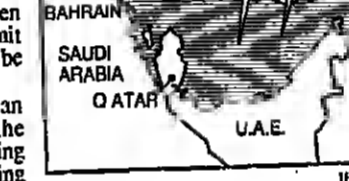
Advertisements for various services and products, including 'Jailings Urged in Poisonings' and 'How U.S. Armed the Afghans'.

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How U.S. Armed the Afghans

By Robert Pear
WASHINGTON — With help from China and many Moslem nations, the United States led a huge international operation to arm the Afghan guerrillas with the weapons they needed to drive the Soviet army from their country.



U.S. Finds A Computer Infiltrator
By John Markoff
NEW YORK — For almost two years, a West German citizen used global communications networks to secretly gain access to more than 30 computers belonging to the United States military and military contractors, according to computer security experts.

Iraq Says It Has Retaken Faw

By Fred Hiatt
WASHINGTON — Iraq said Monday that its forces had recaptured the southern Faw Peninsula after two years of Iranian occupation.

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DEMJEANJUK IS GUILTY — An Israeli court convicted John Demjanjuk of Nazi war crimes Monday, ruling that he was "Ivan the Terrible" at the Treblinka death camp. The former Ohio automobile worker will be sentenced April 25. He had to be carried because of a back injury.

Will They Drink Japan Dry?

By Fred Hiatt
As to what exactly "dry" beer is, even its most devoted fans have a hard time explaining. In some ways, it is the opposite of "light" beer: not more alcoholic, but with more alcohol, more sophistication and — if Mike Tyson, Gene Hackman and other hired promoters are to be believed — a more macho appeal.

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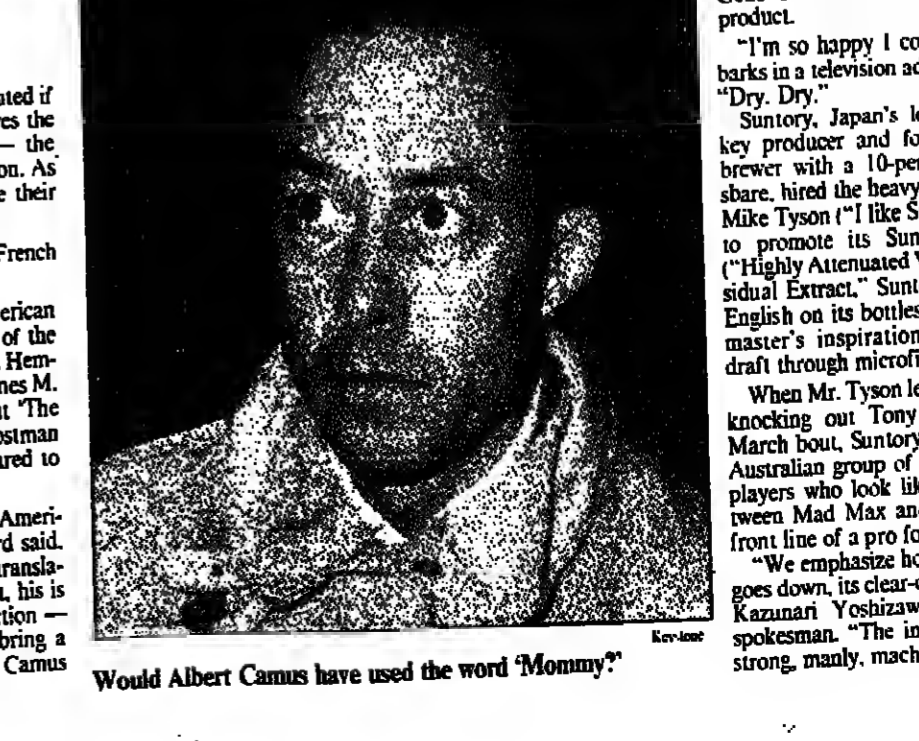
Advertisements for 'Jailings Urged in Poisonings' and 'How U.S. Armed the Afghans'.

'The Stranger II': U.S. Translation Recasts Camus

By Herbert Mitgang
NEW YORK — For four decades, millions of readers have opened the English translation of Albert Camus' classic French novel "The Stranger" and encountered those three words: "Mother died today."

'The Stranger II': U.S. Translation Recasts Camus

"L'Étranger" was first published by Gallimard in Paris in 1942. The original English translation was by Stuart Gilbert, a respected British author and translator.



Would Albert Camus have used the word 'Mommy'?

# An Anguished Message From a Hostage Prince Confirms Ordeal on Jet

By Jonathan C. Randal  
*Washington Post Service*

ALGIERS — His voice breaking with fatigue and pain, a member of the Kuwaiti royal family pleaded for his life on Monday and that of 30 others aboard a hijacked jet as the hostages' ordeal entered its 14th day with no end in sight.

The message from Fadel al-Sabah, a cousin of the Kuwaiti ruler, confirmed reports that the 33-year-old member of the ruling family was under extreme duress and possibly physical abuse aboard the Kuwait Airways plane.

Read over the Boeing 747's radio and relayed through the Algiers airport control tower, the message appeared to repeat the almost daily fare of hostages' warning that they would be killed unless Kuwait released 17 men imprisoned for attacks on oil installations and the U.S. and French embassies in Kuwait in 1983.

But the prince's gasping, anguished initial 10-second effort was so incomplete and unintelligible that the control tower asked him to try again, for he got no further than praising God and asking for the release of the 17 convicted terrorists.

And when his renewed effort failed, a voice, presumably that of hijacker, said the hostage was "too weak" to make a third try.

Only then did the hijacker reveal the hostage's identity. In earlier messages, the hostages' names were given before they began talking.

The hijackers, believed to be pro-Iranian Shiite Muslims, drew a dis-

tinuous Saturday between "civilian" hostages, two Kuwaiti "officers" killed during an earlier stopover in Cyprus, and those who belong to the power structure in Kuwait.

The latter category is comprised of Fadel al-Sabah and his two sisters, Anwar and Entesam, but rarely have women been harmed by Islamic extremists.

Fadel al-Sabah was in the worst psychological condition of any of the 29 passengers and three crew members still held aboard the blue and white airliner, according to a diabetic hostage released by the hijackers in Algiers last week.

Analysts doubted that the message Monday would prove any more effective than previous pleas from other hostages in persuading the Kuwaiti government to release the 17 convicts.

The jetliner was hijacked on a flight from Bangkok to Kuwait. It landed in Iran and flew to Cyprus before heading for Algiers.

Late last week, sources close to the Kuwaiti ruler, Sheikh Jaber al-Ahmad as-Sabah, let it be known that he had written off the hijacked airliner, likening it to an airliner lost at sea.

Meanwhile, Algerian security was tightened around the plane, and Algerian officials twice went aboard the airliner briefly to confer with the hijackers.

But Algeria was apparently counting on time and fatigue to wear down the hijackers.

Even before the plane landed in Algiers before dawn on Wednesday, Algerian officials apparently had agreed not to storm the jumbo jet in return for the hijackers' promise not to execute hostages on Algerian soil.

The hijackers announced Saturday that they intended to leave Algeria, but on Sunday they agreed to accord their hosts more time to negotiate.

The accumulated strains of two weeks restricted to the confines of the airliner were further heightened by the onset Monday of Ramadan, the Muslim month of daylight fasting, which often leaves the faithful irritable and short-tempered.



Police inspecting van in front of the Frankfurt Jewish Center after a bomb exploded Monday.

## Frankfurt Explosion Angers Jews

FRANKFURT — The head of the Jewish community in West Germany demanded that the police give more protection to Jewish property after a bomb exploded outside the Frankfurt Jewish Center early Monday morning.

Eight minutes later, another bomb exploded outside an office belonging to Saudi, the Saudi Arabian airline. The explosions

did not injure anybody, but the police said they caused damage amounting to several hundred thousand dollars.

Heinz Galinski, head of the Central Council of Jews in Germany, said in a letter to the West German Federal Police that he could not understand why Jewish communities encountered problems when seeking police protection for their property.

delay that police stations throughout the country see to it from now that Jewish property is protected in a way which will completely rule out incidents of this kind in the future," Mr. Galinski said in the letter.

The explosion at the Jewish center shattered windows and destroyed a van parked outside. The police said they were treating the explosions as politically motivated.

## Black September Group Resurfaces

By Ihsan A. Hijazi  
*New York Times Service*

BEIRUT — A radical Palestinian group operating clandestinely says it has resumed subversive activity against the Jordanian government, claiming responsibility for two explosions in Amman in one week.

The Black September organization, in written statements delivered to an international news agency here, said its agents detonated a bomb in the underground parking lot of a municipal building in the Jordanian capital on Saturday, to a similar statement earlier, it said it was responsible for a blast that wounded two men outside the vehi-

cle registration department in an Amman suburb on April 9.

The Jordanian police said a bomb placed in a car had started a fire in the underground parking lot. They said five persons were killed and 10 injured when a fire engine overturned on its way to put out the fire. Jordan blamed Israel for the bomb.

Black September said the nin-story building was being used by Jordanian intelligence agencies.

The organization was founded in 1970 to avenge Jordan's expulsion of Palestinian guerrillas. It claimed responsibility for the assassination a year later of Prime Minister Wasfi Tal and for the killing in

1972 of Israeli athletes at the Olympic Games in Munich.

But the group announced in 1974 that it was dissolving after King Hussein of Jordan joined other Arab heads of state in recognizing the Palestine Liberation Organization as the sole representative of the Palestinian people.

The identity of those now speaking for the organization is not known, but it is suspected that they are radicals opposed to a proposed joint Palestinian-Jordanian delegation to Middle East peace talks.

## Tunisia Says It Has Proof That Israelis Killed Wazir

TUNIS — Tunisia said Monday it had proof that Israel assassinated Khalil al-Wazir, the military commander of the Palestine Liberation Organization.

The official news agency TAP said an Israeli military Boeing 707 circled off the Tunisian coast and jammed local telecommunications while an Israeli commando squad machine-gunned Mr. Wazir to death Saturday morning.

Mr. Wazir, also known as Abu Jihad, was killed by about seven attackers, including a woman with a video camera, while his wife and daughter watched, sources said. About 30 other people were reported to have provided support for the attack. Three of his aides died in the shooting.

The Israeli government has not commented, but Israeli sources confirmed that Israel had carried out the killing.

Curfew in Territories  
John Kifer of The New York Times reported from Jerusalem: Nearly a third of the Palestinian population on the occupied West Bank and Gaza Strip — at least 400,000 people — were being kept indoors Monday night as the Israeli Army ordered curfews in 20 refugee districts, the city of Nablus and several villages. The curfews were called to block any protests over the assassination of Mr. Wazir.

Two more Palestinians were shot to death by soldiers in the Gaza Strip during what the army said were violent, stone-throwing protests, raising the number of Palestinians known to have been killed by Israelis during the uprisings to 144.

One of the dead was a 26-year-old mother of six in Gaza City, identified by the army as Aidah Othman Totah, and the second was an unidentified young man from the Egyptian border town of Rafah.

Palestinians had called for a general strike and three days of mourning, and streets were deserted and bung with black banners in many areas. A Western aid worker in the Gaza Strip described sections of Gaza City as looking "like a scene from the last century," with no cars moving and only a few donkey-drawn carts on the street.

For the second day in a row, the army banned journalists from most of the occupied territories, and set up checkpoints and roadblocks cutting down much of the local traffic.

Although most Israeli officials have been studiously keeping a low profile on the slaying of Mr. Wazir, Trade Minister Ariel Sharon called for the elimination of other guerrilla chiefs. Mr. Sharon, as minister of defense, launched the 1982 invasion of Lebanon to drive out the PLO.

"Few people had so much Jewish and non-Jewish blood on their hands," Mr. Sharon said. "Without doubt, justice was done. For many years I have said we must take care of and hurt and eliminate the heads of these murderous terrorist organizations."

A number of Israeli analysts said a major purpose of the raid was to restore the image of Israel as a powerful, dangerous enemy in order to reestablish fear in Arab states and among the Palestinians.

The analyst cited the damaging effects of a guerrilla hang glider attack, in which six soldiers were killed before the Palestinian raider was shot to death, and the difficulties the army has had in suppressing the current protests.

But much of the editorial comment, while praising the efficiency of the commando raid, was uncertain about its effect.

"The death of Abu Jihad will not calm the residents of the territories and will not give the security forces deterrent capability," an editorial in the newspaper Hadashot said. "The population will be even more adamant about severing itself from the authorities and the Civil Administration will now face a harder problem when it tries to force itself on the population."

Paris Won't Drop Recall of Envoy  
Agence France-Press  
PARIS — France will not rescind its decision to recall its ambassador to Canada, despite the release in St. John's, Newfoundland, of 17 French fishermen and four politicians, a Foreign Ministry spokesman said Monday.

Sunday's recall for consultation of the ambassador, Philippe Husson, was "a serious political gesture," the spokesman said. But he added that "things have not gone as far as a break" in diplomatic ties.

The envoy was recalled after the arrest Thursday of the politicians and seamen fishing in disputed waters off Newfoundland.

## WORLD BRIEFS

### Panama Banks Reopen, With Limits

PANAMA CITY (UPI) — Most Panamanian banks resumed limited operations Monday for the first time in nearly two months, but depositors were still unable to withdraw cash from them. In a statement published Sunday in Panamanian newspapers, the government Banking Commission said that state and private banks would reopen only to receive new deposits in cash or checks.

The commission said the resumption was aimed at restoring confidence in checks as a monetary instrument. It said Panamanians would be able to write checks against money deposited in the account.

The economy has been operating on a virtual cash-only basis since the government closed the banks on March 3 in the face of a cash shortage caused in part by U.S. economic sanctions and the freezing of Panamanian government funds in U.S. banks. The sanctions were imposed as part of an effort aimed at forcing General Manuel Antonio Noriega, the military leader, out of power.

### U.S. Study Alleges Medicare Abuses

WASHINGTON (AP) — A federal investigation suggests that U.S. hospitals are making billions of extra dollars by admitting patients who could be treated better and cheaper without hospitalization.

A draft report prepared by the inspector general's office of the Department of Health and Human Services concluded that hospitals probably were paid about \$2 billion by Medicare in 1985 to treat patients who should not have been hospitalized.

"Although an estimated \$939 million would have been spent providing care to these patients in other medical settings, reducing unnecessary admissions to hospitals is one of the most effective ways of saving Medicare dollars," the report said.

### Kidnapped Marine's Death Is Denied

BEIRUT (UPI) — A Christian-run radio station reported Monday that a kidnapped U.S. Marine officer, Lieutenant Colonel William R. Higgins, had been killed by his pro-Iranian captors, but an official of the pro-Syrian Shiite Amal militia denied the report.

The Voice of Lebanon radio station, citing "special information," said that Colonel Higgins, 43, had been killed by his kidnappers.

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Although an estimated \$939 million would have been spent providing care to these patients in other medical settings, reducing unnecessary admissions to hospitals is one of the most effective ways of saving Medicare dollars," the report said.

The radio, which did not give a source for its report, said Colonel Higgins had been killed because his captors feared that Amal gunmen would rescue him during fighting between the two groups. An Amal spokesman said he "was not killed, and he is not held in our area," which is southern Lebanon.



William R. Higgins

### Bonn Concerned Over F-16 Crashes

BONN (Reuters) — Defense Minister Manfred Wörner says he has asked the U.S. Air Force command in Europe to suspend F-16 flights temporarily if technical problems cannot be ruled out as the cause of a crash Monday.

An air force F-16 fighter plane stationed at the Ramstein Air Base crashed near the village of Hermeskeil, just far from the border with Luxembourg, the authorities said. The pilot ejected to safety.

Another U.S. F-16 crashed last month in West Germany, killing the pilot and a civilian when it hit a row of houses near the southwestern city of Karlsruhe.

### Taiwan Restores Postal Link to China

TAIPEI (Reuters) — Taiwan's postal service accepted letters addressed to China for the first time on Monday, easing communication between families and friends divided for almost 40 years.

The postal service received 3,000 letters addressed to China on Monday. They will be handed to the Taiwan Red Cross, which will forward them through Hoog Kong. Previously, letters to China had to be sent privately through third countries.

### For the Record

Muslims in Colombo closed their businesses Monday to protest violence last month in which at least 17 persons were killed, the police said. The strike was organized by a group called the Islamic Student's Organization. At least 10 Muslims and seven Tamils were killed in fighting at the village of Kalmunai, in eastern Sri Lanka, on March 31. (AP)

### TRAVEL UPDATE

#### China Studies Tibetan Travel Curbs

BEIJING (Reuters) — Budget travelers to Tibet face tighter Chinese government controls, a deputy U.S. assistant secretary of state, Staplet Roy, said here Monday on his return from a four-day visit to Tibet. A minimum daily charge may be imposed, and visitors may be required to join organized tours, he said. No date was set for the start of the new program.

Tourism officials said they were considering a minimum daily rate of 100 yuan (about \$27.50). Many budget travelers were living on as little as 20 yuan a day in Tibet when anti-Chinese rioting erupted in Lhasa in October. The Tibetan press accused more than 50 foreigners of involvement in the rioting.

Ferry service across the East River in New York City began Monday morning for some of the nearly 250,000 travelers who have been denied use of the decrepit Williamsburg Bridge. The bridge, a vital link between Manhattan, Queens and Brooklyn, was closed to cars, trucks and subways last week because of rust, corrosion and years of neglect. (AP)

TAP, the Portuguese state airline, handed over all its mainland domestic routes Monday to its subsidiary company, LAR, to help improve internal air service. LAR, founded three years ago and owned by LAR private companies and local councils, will handle flights from Lisbon, Oporto and Faro as well as existing routes to provincial towns. (Reuters)

The French domestic airline Air Inter said Monday that it would assume 80 percent of scheduled flights Tuesday and Wednesday, despite strikes by flying and ground staff. Air France, where only one pilot's union has called a strike for Tuesday and Wednesday, said all of its flights would operate as planned. (AP)

### U.S. Panel Asks Shake-Up In Air Safety Regulations

WASHINGTON — A presidential aviation panel concluded Monday that major changes are needed in U.S. air safety regulations, including the appointment of a "safety czar" and surprise airline inspections.

"After months of study, hearings, meetings around the country, and staff reports, the Aviation Safety Commission unanimously concludes that the nation's air transportation system is safe," the report said. "However, safety is being maintained to an increasing extent through delays and other inconveniences."

The commission chairman, John Albertine, said the panel agreed "that a major overhaul of the present safety regulatory structure is absolutely essential and urgently needed to equip the system to accommodate future growth and technological change."

The report called for an independent Federal Aviation Authority headed by an administrator who is appointed by the president for a fixed term. Under the present system, the Federal Aviation Administration is part of the Department of Transportation and its administrator reports to the transportation secretary.

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## Church Says Abortion Is Not Tax Issue

By Al Kamen  
*Washington Post Service*

WASHINGTON — Groups that support the availability of abortions do not have legal authority to force the Internal Revenue Service to take away the tax-exempt status of the Roman Catholic Church for its work against abortion, a lawyer for the church told the Supreme Court on Monday.

The attorney, Kevin Baine, said a ruling against the church would open the door to lawsuits against any religious organization, not only over abortion but also on arms control, civil rights, capital punishment and other issues.

Marshall Bell, a lawyer for 21 individuals and groups supporting the availability of abortions, responded that the refusal of the government to strip the church of its exemption is in effect a subsidy for partisan political activity.

The arguments came in a suit, begun eight years ago and led by the Abortion Rights Mobilization Inc., to force the IRS to act against the church.

But the case argued Monday involves only a demand for internal church documents and a question of whether the National Conference of Catholic Bishops and the U.S. Catholic Conference may appeal contempt citations and fines of \$100,000 a day for failing to provide the information.

No Shield for Donors  
The Supreme Court refused to let a blood bank in Dallas withhold names and medical records of its donors from a woman who said her husband had contracted AIDS after receiving transfusions. The Associated Press reported.

The court let stand a ruling that privacy rights of donors do not override Patty Jo Baker's need to learn their identities for her lawsuit against Lewisville Memorial Hospital near Dallas, an operating surgeon and two blood banks that supplied the hospital.

George W. Baker underwent surgery at the hospital in 1984, receiving several transfusions. He died of acquired immune deficiency syndrome in 1986.

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BRIEFS

men, With Latin American banks...

Medicare Abuse... investigation suggests...

's Death Is Denied



William R. Hughes...

Over F-16 Crash... Minister Manfred...

Postal Link to... and's postal service...

EL UPDATE

Fibetan Travel... budgetary...

East River... New York City...

airline... handled...

el Asks Shake... Safety Regulation

On Jackson's Side, An Intense Loyalty

Blacks in New York See Campaign As a Source of Pride and Racism

By E.J. Dionne Jr.

New York Times Service NEW YORK — To the distress of many black New Yorkers...

They see it as a campaign tinged with racism, one in which the Reverend Jesse L. Jackson is neither forgiven...

These views emerged from two discussions organized by The New York Times to determine black views of the campaign...

The blacks spoke of the white Democratic politicians who warn that concessions to Mr. Jackson...

Their firm, even angry, response was: Don't mess with Jesse Jackson.

However the Democratic Party handles this situation will reflect on how we handle the Democratic Party...

In this view, Mr. Jackson already has earned his way onto the Democratic ticket as a presidential or vice-presidential nominee...

Or, for another example, take the words "Hymietown," which is how Mr. Jackson once referred to New York City...

While blacks know these words provoke anger among Jews, they see the continuing focus on them as symbolic of a racism that will not absolve a black man of any mistakes...

Had not Mr. Jackson, they said, apologized for his "Hymietown" remark and repudiated Mr. Farrakhan's views...



Senator Albert Gore Jr., right, marches in New York City beside Mayor Edward I. Koch during a parade marking the 40th anniversary of the founding of Israel...

of Massachusetts had kept a comfortable lead over Mr. Jackson, with Senator Albert Gore Jr. of Tennessee a distant third.

A 5-year-old can look at the TV screen and see a black man running for president and have it be credible...

N.Y. Drug Users Leading in AIDS

NEW YORK — AIDS cases reported among intravenous drug users outnumbered cases among homosexuals and bisexuals for the first time during the first three months of 1988...

Dr. Stephen C. Joseph, the health commissioner, said Saturday: "It has become clear that the gay community has made effective progress in reducing the spread of new infection...

Focus on Turnout Meanwhile, Paul Taylor of The Washington Post reported from New York: The question of who will go to the polls Tuesday dominated the strategic planning of the Democratic presidential hopefuls...

Contras, Rejecting Plan to Disarm, Begin to Doubt the Managua Talks

By Julia Preston

MANAGUA — The Sandinist government has presented a proposal to require the Nicaraguan rebels to give up their weapons by June 28...

"We are beginning to have doubts about the process we are involved in," said Adolfo Calero, one of the rebel leaders at the talks...

The conflict occurred on the second full day of broad negotiations in Managua under the terms of a 60-day cease-fire accord signed March 23...

The proposal sought to press the contras into yielding on disarmament themselves, their most sensitive issue, and to condition any further steps under the Sapoa accord to commitment on that point...

The poll showed that Mr. Jackson's supporters felt much more strongly than did Mr. Dukakis, suggesting that Jackson voters may be more motivated to turn out on Tuesday...

There was no move, however, to break off the talks. Both sides said the negotiations would continue Monday as scheduled.

Alfredo Cesar, another leader of the Nicaraguan Resistance, described the Sandinist plan as dangerous. He noted that it would not allow contra fighters to receive any of the \$17.7 million in aid approved by Congress until after they agreed to give up their rifles.

The deputy foreign minister, Victor Hugo Tinoco, a member of the government delegation, said, "We were surprised by their reaction that we made an offer for a permanent cease-fire."

The Sapoa accord seemed to be leading to two different sets of talks. Since March 23, government and rebel military negotiators have met for seven rounds of what were called technical talks at Sapoa to arrange seven cease-fire zones where contra fighters were to gather during the two-month truce.

After the last of those sessions, on Thursday, both sides said only three or four points were left to discuss to finish an agreement about the zones. The discussion in-

Managua — The Sandinist government has presented a proposal to require the Nicaraguan rebels to give up their weapons by June 28, but contra leaders have rejected it as a major shift from the cease-fire accord signed last month.

MANAGUA — A group of former political prisoners and their relatives are expected to arrive here from Cuba this week, U.S. and Roman Catholic Church officials have said.

"We are interested in getting a formal ratification from them they are ready to disarm," Mr. Tinoco said. "If not, this is just a truce to give them a rest."

Mr. Tinoco said the government was not willing to proceed with further negotiations or steps under the Sapoa accord until the contras signed a disarmament agreement.

The contras said they would raise demands to loosen the control of the Sandinist party over the state and the army.

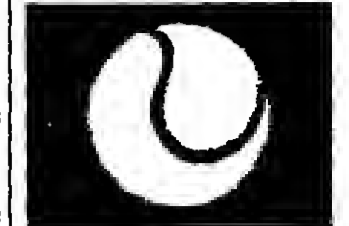
Sandinist leaders said the contras would be allowed to take up their political demands when their representatives joined the political dialogue now under way between the government and the opposition political parties.

In addition to the disarmament initiative, the Sandinist proposal on Sunday offers the common points from both sides' proposals for the cease-fire zones, adds several other clauses spelling out procedures for steps already agreed to in the Sapoa accord, and begins with a preamble in which both parties would commit themselves to "a total and definitive end to the war."

Under the Sapoa accord, the government also agreed to a gradual release of all political prisoners and to assure freedom of expression.

The officials hope the release will mean the resumption of a long-suspended immigration agreement between the United States and Cuba.

The prisoners are expected to arrive in Miami while Cardinal John J. O'Connor, the archbishop of New York, is on a weeklong visit to Cuba. Cardinal O'Connor was scheduled to arrive in Cuba on Monday.



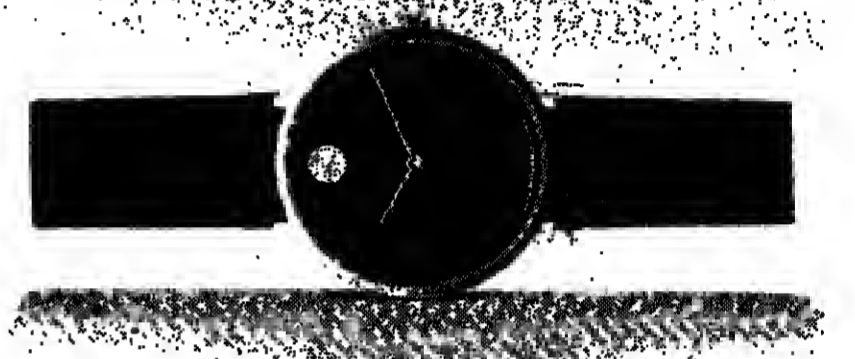
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# Trade Bill Dispute Threatens U.S. Goals

By Clyde H. Farnsworth  
New York Times Service

WASHINGTON — A dispute between the White House and Congress over trade legislation is endangering major international economic initiatives of the United States, including its free-trade pact with Canada, and could weaken the global posture of the nation, analysts have warned.

Following the collapse of a tentative compromise last week, representatives of President Ronald Reagan have clearly signaled that he will veto a trade bill that congressional Democrats said they expect to clear both houses by Friday.

The legislation contains a controversial provision that would require companies with more than 100 employees to notify their workers 60 days before they close plants or institute layoffs. The plan is supported by organized labor, but the White House has called it "injurious" to the economy, and business groups oppose it as an unwarranted intervention by the government into their affairs.

Democratic leaders also were preparing to incorporate into the trade legislation another provision likely to be vetoed, requiring foreigners who own American real estate or 5 percent or more of a U.S.

company to register with the Commerce Department.

A White House official called the legislation "beyond redemption," and a group of legislative aides at a private meeting Friday unanimously predicted that a veto would be sustained.

"The trade bill will go down the tubes," said Senator Bob Dole of Kansas, the minority leader, urging the Democrats to make another attempt to reach a compromise.

Clayton K. Yeutter, the U.S. trade representative, said, "We're back to ground zero after two or three years' work on a trade bill."

Although some administration officials held out the possibility of a later compromise on a smaller bill if a veto is sustained, many legislative analysts remained skeptical, especially in an election year with a much abbreviated legislative calendar.

"It's not like having to get the Social Security checks out when you've got a fiscal fight that closes down the government," a Senate aide said. "There's no powerful constituency out there that says you've got to have a trade bill."

Asked about chances for new trade legislation this year, Senator Lloyd Bentsen, Democrat of Texas and chairman of the Finance Com-

mittee, said, "Another bill will be extremely difficult to do."

Such prospects, analysts said, hold grave dangers for the economic policy objectives of the United States, which require agreement between Congress and the White House.

One of the casualties may be the free-trade agreement that Ottawa and Washington painfully worked out last fall. Under that pact, the countries would remove barriers to commerce within 10 years.

Also likely to be affected is the so-called Uruguay Round of trade liberalization negotiations under the General Agreement on Tariffs and Trade and U.S. efforts to harmonize tariffs with most other nations. The authority to pursue these goals is contained in the trade bill.

The Uruguay Round is a U.S. initiative to gain greater access in global markets for American agriculture and services such as banking and insurance. It would also change trade-distorting investment practices of many governments.

If the administration lacks negotiating authority, other governments would be unlikely to bargain sensibly.

Under tariff harmonization, the United States would fall in line with the way most of the rest of the

world classifies goods and services flowing in international trade. The divergent position of the United States is generally agreed to weaken its trading position.

Thomas D. Maty, director of exports for the American Association of Exporters and Importers, provided an example. American and Canadian exporters are selling competitive computers to Britain. Canada and Britain are on the harmonized system, the United States is not. So the American exporter cannot be sure how its computer will be classified and what duty will be assessed.

Legislators and administration officials agreed that Canada is likely to be caught in the turmoil.

"There will be a sour taste in Congress that will make it more difficult for Canadian free trade," said Senator Max Baucus, Democrat of Montana and a member of the Finance Committee. "They're playing with fire because it shows that this country can't govern, that the White House and Congress can't govern together, which means we're putting America's future in a precarious position."

The concern over Canada was echoed by Mr. Yeutter at a trade meeting in Vancouver, British Columbia, during the weekend, when he noted that "bruised feelings" of legislators, at the least, would defer consideration of the pact by Congress. He predicted a delay of 30 days, which would mean it would not come up until July 1, two weeks before the Democratic convention is to begin.

For the pact to go into effect, Congress has to approve "implementing" legislation changing American regulations and laws to authorize the elimination of trade barriers against Canada. Canada is going through a similar process.

But because of constituencies opposed to some of the provisions — chiefly those affecting natural-resource-based industries such as copper, uranium and plywood, in which Canada maintains certain competitive advantages — approval is uncertain.

A number of legislators want to use the implementing legislation to modify parts of the deal worked out last fall. Some senators from the West, for example, are pressing for contingency provisions permitting American tariffs to resume if Canadian subsidies are not removed. But there is a question whether this can be done without reopening the basic agreement, which both governments insist they will not do.

The Senate Finance Committee and House Ways and Means Committee are expected to work with the Office of the U.S. Trade Representative on drafting the legislation, which would be completed around midyear. Under so-called fast-track procedures of the negotiations, Congress then has 90 days to vote on the package, either accepting or rejecting it.



PROTEST IN INDIA — A police officer pushing a protester belonging to the National Students Union of India after the authorities prevented the group from marching to the Pakistan Embassy in New Delhi. The students were protesting alleged Pakistani support for Sikh militants.

## HACKER: Computer Experts Trap German Intruder

(Continued from Page 1)

nage," said Peter G. Neumann, a computer security expert.

A spokesman for the Federal Bureau of Investigation in Washington confirmed on Sunday that the intrusions were investigated, but he declined to comment further.

Last week, an article in a West German weekly magazine, *Quick*, detailed the case, identifying the intruder as Mathias Speer, 34, a computer science student in the city of Hannover. FBI officials would not confirm the identity.

The intrusions may have occurred for as long as a year before being discovered by computer managers at the Lawrence Berkeley Laboratory, in Berkeley, California.

The laboratory, the site of broad-based unclassified scientific research, is a sister to the Lawrence Livermore Laboratory, in nearby Livermore, which is heavily involved in research on secret nuclear weapons and the SDI, the space-based missile defense system popularly known as "star wars." The laboratories are operated by the University of California for the federal government.

Rather than taking steps to deny further computer access to the intruder, the Lawrence Berkeley security experts, working with other government computer security personnel, organized a system to monitor the intrusions.

At one point, to trace the intruder, the Lawrence Berkeley officials

offered false but seemingly classified information as part of an electronic "sting" operation. The intruder loaded that information into his computer in West Germany, staying on line long enough for the authorities in the United States and West Germany to trace him. Later, as part of the same operation, an apparent accomplice based in the United States appeared to become involved.

The identity of the U.S. citizen was not divulged by the Lawrence Berkeley officials or by the FBI. He is believed to have been questioned by the bureau in June 1987, about the same time that the West German was detained and questioned by the authorities here. The electronic break-ins ended about then.

Under West German law, not enough evidence was obtained for prosecution, the Lawrence Berkeley officials said.

"We knew the key words he was looking for when he read electronic mail on our computers," said Dr. Clifford Stoll, the computer systems manager at Lawrence Berkeley who initially discovered the break-ins in August 1986 and monitored them for approximately 12 months. "He searched all of the files at LBL for the word 'nuclear.' Then he started looking for 'star wars' and SDI. We realized that he had us confused with Lawrence Livermore."

The break-ins parallel another set of incidents last year in which a group of West German computer enthusiasts, called the Chaos Computer Club, broke into several international computer networks of the National Aeronautics and Space Administration and rummaged freely for at least three months before discovery.

Deng Stubs Out An Aquino Tip On Smoking

The Associated Press

BEIJING — China's most famous smoker, the senior leader Deng Xiaoping, has run up against the Philippines' most famous anti-smoking advocate, President Corason C. Aquino.

"Mind if I smoke?" Mr. Deng, 83, asked at the start of their talks last week.

"I cannot say no to you because I am not the leader of this country," Mrs. Aquino responded as he lit up.

Mr. Deng, laughing, recalled that at the recent National People's Congress session he started smoking and "a deputy to the congress handed over a piece of paper criticizing my smoking. I violated the regulations of the NPC so I stopped."

## ISRAEL: At 40, United in Spirit but Divided by Doubt

(Continued from Page 1)

holy books as his home became radio headquarters for the Stern Gang, who were denounced as terrorists in their time of the struggle for independence.

"God forbid if we have to give back the territories from the state of Israel," said the man who went on to be the first rabbi of the nation's army, then to be chief rabbi of the Ashkenazim, or Jews with European roots. "It will mean the bloodshed of civil war, Jew against Jew."

Israeli soldiers, the sons and successors to the pioneer army that repeatedly defeated far more numerous Arab aggressors, increasingly man the territories in occupation. This is what Roman legions once did, and before them the Assyrians and Babylonians, Persians and Greeks, far back into the travail and glory of the Jewish people.

The travails grew ever more grisly as the assassination of a ranking Palestinian strategist produced the deadliest day yet of Israeli force in the biblical battleground, a day in which 14 Palestinians were shot to death.

"God and the Promised Land — after Auschwitz I don't want anything to do with all that, thank you very much," said Gad Granach, toasting the sunny skies with a light brandy and soda on his balcony.

Neither healer nor holy man, he is one of life's classic handymen, having fled Hitler's Germany in 1936 and prevailed across decades in the kibbutz groves, in potash mining on the Dead Sea, as an archeology roustabout, university faculty and more. He is 73 and talkative in ways that have him savoring his daily arguments with the 18-year-old Arab delivery boy.

"He says, 'What's the matter? You only killed two Palestinians yesterday? And I say: 'You Arabs can afford to lose a lot of wars and nothing happens to you. But we Jews lose one war and that will be the end.'"

"The killing is nothing new. We see the masters now, that's all," said Mr. Granach, leather-vested,

expansive, obviously enjoying another uncertain Israeli day.

Shahai Teveth, a history scholar, said, "This was the greatest success story ever told." He was recalling the emotion, hardship and inspiration of Israel's first decade when a new national majority inundated the land — two million immigrants in 10 years.

"It was the strength of the spirit, the strength of the idea," said Mr. Teveth, born in Israel 61 years ago of Zionist pioneers from Russia. "It was amazing, teaching all these people to speak, write Hebrew, turning many of them from the Middle Ages to the 20th century in half a generation."

As the 1967 war ended, Alice Shalvi went to the Old City of Jerusalem to witness history when the Israeli Army removed the Arab partition barriers. "I remember when the gates were opened the freedom was two-way," said Ms. Shalvi, a feminist leader and professor of English literature at Hebrew University who came from London as a young Zionist in 1949.

"The Arabs came streaming out of the Old City into West Jerusalem," she said. "I remember their sense of wonder and the sense of change and the intermingling. And it disappeared so quickly."

Israel is a galaxy of human unrest, a Yeatsian sprawl of pain and wonder, the authentic modern state where the center that must hold gets even narrower.

"Here, look," said another sort of Israeli citizen, Fouad Khamis, an Arab teacher, pointing at two very different roads. The potholed road courses like a goat path through his village of Cana, where the government took extensive lands for a Jewish settlement; the more costly road rises cleanly to that settlement, on the high ground.

"They want us to be sheep, but we see. We pay taxes but they get the better roads," he said, frustrated in the most simple terms as the

40th anniversary of the state, his state, approaches. "We can see," he said, his eyes mournful.

Beyond articulation, on a hilltop, stands a work of terrible beauty, the children's memorial at Yad Vashem, the Holocaust museum. There are no words, only several large photographs of Jewish children staring forward most innocently in their limited time before being put to death by the Nazis.

Martin Weil was 10 years old when most of his family, living in the Netherlands, was rounded up for killing.

"A family of doctors and judges who believed in world citizenship rather than in Jewishness," he said in describing how the few family survivors eventually regrouped and tried to resume as before.

"They wanted to forget again that they were Jewish," Mr. Weil said. "But I felt, as a child, that this was impossible. Apparently when one is born Jewish one has to accept the consequences, regardless of whether one is religious or not."

He smiled, confessing he could not define exactly what this meant. "I felt the only chance I had to be Jewish in a free way would be in a country like Israel," he said, "where we would have the possibility of defending ourselves not as a minority as we always had been but as a majority."

He arrived as a lone teen-ager and thrived in a kibbutz, then in the arts, becoming director of the Israel Museum, which stands as world-class evidence of the country's progress. Lately, he is alarmed to sense the arts frozen, reflecting the political chaos and the Jews' own "existential anxiety," stirred this time by the occupation violence and the rise of narrow, extremist options in public debate.

"Again the fight, again the difficulties," he said wearily, describing undramatic personal hopes that Israelis learn to "listen to each other in a creative way," and that nations in "the democratic family stand together" as Israel wrestles so publicly with its soul.

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## AFGHAN: How U.S. Sent Arms to the Rebel Forces

(Continued from Page 1)

with rocket launchers and other weapons, according to an officer who served at the U.S. Embassy in Beijing. But Iran, which often portrays itself as an Islamic leader, provided very limited support.

Administration officials cite their support of the guerrillas as a success for the Reagan policy of helping indigenous groups resist Communist-supported regimes in regional conflicts. But many officials were initially reluctant to provide vigorous support.

In October 1984, Congress passed a resolution saying: "It would be indefensible to provide the freedom fighters with only enough aid to fight and die, but not enough to advance their cause."

The measure had been introduced two years earlier by Senator Paul E. Tsongas, a liberal Massachusetts Democrat. Senator Malcolm Wallop, a conservative Republican from Wyoming, wrote in 1984 that "the only opposition to the resolution has come essentially from the CIA and the Department of State."

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South Korea Mishap Kills 10

United Press International

SEOUL — A 1.5-ton fishing boat capsized Sunday off the southwestern coast of South Korea, killing at least 10 persons.

## GULF: U.S.-Iran Clash

(Continued from Page 1)

off the coast of the United Arab Emirates.

The Pentagon said the two American jet fighters struck the Iranian frigate Sahand after the vessel approached three American warships, ignored repeated warnings from a Hawkeye reconnaissance aircraft flying overhead and fired on three A-6 Intruder aircraft patrolling in the area.

A Pentagon spokesman, Dan Howard, said the frigate was heavily damaged and was on fire. He said the incident occurred southwest of Larak Island in the Strait of Hormuz at the mouth of the Gulf.

Military leaders said that there was a long list of potential targets in Iran to enable Mr. Reagan to order quick reprisal for any additional hostile acts in the Gulf by the Tehran government.

Mr. Reagan's decision to order retaliatory attacks represented a firm embrace of the controversial ut-for-tat doctrine followed by the United States early in the Vietnam War.

As in the 1960s when the Vietnam war was raging, some Reagan administration officials and military leaders wanted bigger retaliatory attacks than the ones just launched. Mr. Reagan sifted through the various military options with his top advisers during a White House meeting on Friday, officials said.

Mr. Carlucci said that the attacks against the platforms were "in retaliation for the damage done by an Iranian mine to the USS Samuel B. Roberts, a U.S. Navy patrol frigate."

"The mine exploded against the hull of the ship," he said, "inflicting a nine-inch gash which allowed 100 gallons of water to gush into the engine room, almost sinking the ship. Several sailors were injured. None was killed."

The Roberts had been escorting a Kuwaiti tanker when it hit the mine. U.S. ships in the area 70 miles (110 kilometers) east of Bahrain discovered a string of mines, persuading the Reagan administration that Iran has resumed systematic mining of the Gulf after a long hiatus. The next questions for Mr. Reagan became whether and how to retaliate.

"The government of Iran fully knew and understood the potential consequences of its action," Mr. Carlucci said of the mining.

"This initiative reaffirms the president's commitment to insure the rights of nations to transit the international waters of the Persian Gulf," Mr. Carlucci said.

"We hope that Iran will draw the appropriate lesson from this and cease its attacks on peaceful international shipping in the Gulf."

Initial congressional reaction to the raid was generally favorable.

"A legitimate response," said the Senate Democratic leader, Robert Byrd of West Virginia. The House speaker, Jim Wright, Democrat of Texas, called the action "a measured retaliation."

Mine Clearing Halted

West European nations suspended mine clearing operations in the Gulf on Monday because of the hostilities, a Dutch government official said as reported by The Associated Press from The Hague.

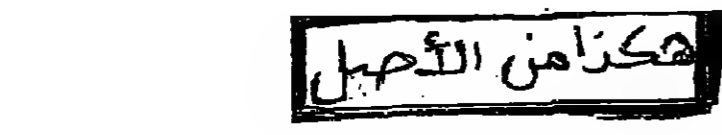
"The U.S.-Iranian confrontation precipitated a potential conflict at the ongoing meeting here of the Western European Union, a seven-nation defense forum, as the governments ordered their top officials to prepare a joint statement on the attacks and counterattacks in the Gulf."

The British were expected to use the meeting to seek a hard statement in support of the U.S. attacks, while the Dutch, who hold the union's presidency, have repeatedly stressed the neutral nature of the coordinated mine clearing effort they organized.

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# French Communists Facing a Debacle

By James M. Markham  
New York Times Service  
GENNEVILLIERS, France — André Lajoie did not sound like someone who was leading the French Communist Party into a debacle of historic dimensions. As 5,000 mostly working-class supporters roared on cue — whenever their presidential candidate raised his voice to a righteous shout — Mr. Lajoie lambasted the French right and predicted that the Communists would emerge strengthened from the first round of voting next week.

trous "regression of liberties" in France. The accusation passes over the fact that the Communists were part of the government for three of those seven years — a parenthesis of respectability they now regret. Much of the Communists' traditional clientele is literally vanishing — as smoke-stack industries are rationalized out of existence — or is deserting to other camps. The warned his audience against Mr. Le Pen's siren song. The last opinion polls gave Mr. Le Pen double Mr. Lajoie's score. And, apparently fearful of alienating even more blue-collar Communist voters, Mr. Lajoie's set speech contains no ringing denunciations of racism in France. But it has plenty of harsh words about apartheid in South Africa.

ly Stalinist in Western Europe. Mr. Marchais, its secretary-general, has orchestrated the expulsion of dissidents such as Mr. Juquin, while other intellectuals and activists have simply drifted away from an organization that seems irrelevant to France in the late 20th century. The party's newspaper, L'Humanité, has treated Mikhail S. Gorbachev's reformist course in the Soviet Union most gingerly, as if uncertain whether he and it will survive. Even in its enfeebled state, the Communist Party will be able to influence the outcome of the May 8 runoff vote, which probably will pit Mr. Mitterrand against Prime Minister Jacques Chirac, the conservative leader. By repeatedly asserting that the Socialist president is no different from his rightist challengers, Mr. Lajoie appears to be preparing the case for urging Communists to abstain in the second round. Mr. Juquin alleges that Mr. Marchais secretly urged this course even in 1981.

With Mr. Chirac as president and the demoralized Socialists in opposition, the Communists, it is argued, might be able to pose as the true champions of the left. Yet some Communists clearly will vote for the Socialist on May 8 no matter what the party advises. Tactical considerations, though, probably will not arrest the Communists' decline, which will accel-

## The party that once dominated the French left is on its way to becoming a sect, facilitating a realignment of politics at the center.

biggest hemorrhage has been to the ultraright National Front of Jean-Marie Le Pen, who blames all of France's woes on Arab and other Third World immigrants. Many of these former Communist live in high-rise, low-cost urban housing where immigrants are numerous and unemployment extensive. Mr. Le Pen seems to be making sense to such voters when he asserts that the expulsion of foreigners would open more jobs to Frenchmen. As they used to protest by voting Communist, some disgruntled citizens will protest this year by voting for Mr. Le Pen.

The beleaguered Communists also face a challenge on the left. Pierre Juquin, a party renegade and former spokesman, also is running for the presidency, attempting to rally intellectuals and young people disillusioned with the Communist Party's stolid and authoritarian ways. Opinion polls suggest that the maverick Marxist might drain off 2 percent or 3 percent of the vote. As if he were not a big enough headache, the Communists also have to worry about two Trotskyite candidates and by a fledgling environmentalist party.

The Juquin phenomenon bespeaks a deep-seated malaise in the Communist Party, which has remained one of the most instinctive-

# Moscow Resolves Treaty Issue

## U.S. Senate Assured That Pact Covers Futuristic Arms

By Michael R. Gordon  
New York Times Service  
WASHINGTON — The Soviet Union has told the United States it agrees that the pending treaty on medium- and shorter-range missiles bans futuristic weapons, according to Reagan administration officials. The Soviet statement, which came in a letter from Foreign Minister Eduard A. Shevardnadze, appears to remove an important political obstacle in the Senate to swift approval of the treaty. The Senate Armed Services Committee had complained that the accord was unclear as to whether it banned possible new types of exotic weapons, such as medium-range cruise missiles that destroy their targets by laser beams or other futuristic means, instead of exploding warheads.

But administration officials acknowledged that Soviet and U.S. negotiators had not specifically discussed whether such futuristic weapons would be covered. In order to ease Senate concerns, Secretary of State George P. Shultz sought a clarification of the issue when he met with Mr. Shevardnadze and Soviet arms control officials in Geneva on Thursday. The Soviet officials at first seemed to be surprised by Mr. Shultz's request, administration officials said. But Yuri V. Dubinin, the Soviet ambassador to Washington, delivered a letter to the State Department from Mr. Shevardnadze on Friday in an apparent effort to help gain quick Senate approval of the treaty. Mr. Shevardnadze wrote that Moscow agreed with the administration's understanding that weapons that destroy targets by futuristic means were banned. According to administration officials, he said: "I would like to confirm to you once again that the Soviet side's understanding of this question is the same as that of the U.S. side. The definitive view of the Soviet side is that the treaty on the elimination of intermediate-range and shorter-range missiles bans these two classes of missiles however

equipped, nuclear or any nonnuclear." The Soviet response came as the Senate Foreign Relations Committee issued a long report to the Senate urging approval of the treaty and warning of severe political repercussions if the pact was not ratified. Last month, the committee, in a vote of 17 to 2, recommended approval. The Foreign Relations panel report also stressed the need to approve the accord with an attached binding condition on the constitutional issue of treaty interpretation. The condition bars the president from interpreting a treaty without Senate approval. It is part of a larger debate that stems from the administration's new broad interpretation of the Anti-Ballistic Missile Treaty, intended to allow expanded tests of space-based anti-missile systems.



André Lajoie

erate if the party loses control in municipal elections next year. The party still preserves a hold on the biggest French trade union, the General Confederation of Labor, and some see it retaining a marginal role in integrating Third World immigrants who become French citizens. But the Communists' eclipse is a momentous event. It has permitted Mr. Mitterrand to move his Socialist Party to the middle of French politics, which is where the election will be fought and won. Whether by Mr. Mitterrand or by Mr. Chirac is not yet clear.

# Louise Nevelson, a Pioneer Sculptor In the Urban Landscape, Dies at 88

By John Russell  
New York Times Service  
NEW YORK — Louise Nevelson, 88, a pioneer creator of environmental sculpture who became one of the world's best-known women artists, died Sunday at her home in Manhattan. She had been in poor health for several months. She had worked steadily almost until her death, and had recently produced a 35-foot (10-meter) black steel sculpture, which is being

installed at the National Institutes of Health in Bethesda, Maryland. A show of her work from the 1950s will be seen this summer at the Georges Pompidou Center in Paris. She was known above all for her wall sculptures. When modern sculpture in general was getting more open and transparent, she caught the public imagination by her command of darkness and deep shadow. She was born in Kiev, Russia. Her parents were Isaac Berliavsky and his wife, Minna Smolensky. Her father immigrated to the United States in 1902, settling in Rockland, Maine, but his family did not follow for several years. In 1920, she was married to Charles Nevelson, whose family was in the shipping business, and moved to New York. She later separated from her husband. The couple had one child. In the spring of 1936, Mrs. Nevelson entered a competitive exhibition at the ACA Gallery in New York and was one of four young artists invited to show at the ACA in September of that year. Her first breakthrough did not

come until the winter of 1958-59, when Dorothy Miller included her in one of the anthologies of new American art that she organized at the Museum of Modern Art. Mrs. Nevelson was in her 60s before she could count on a steady income from her work, and she never forgot what it was like "to be an American and not be respected by collectors." But gradually the big museums and the big collectors came around to the fact that a major artist was in their midst. In 1969, she received the MacDowell Colony medal and in 1971 the Brandeis University Creative Award in Sculpture and the Skowhegan Medal for Sculpture. Commissions included work for Princeton University in 1969; a 55-foot wall for Temple Beth-El in Great Neck, Long Island, in 1970, and major sculptures in 1973 for Boston, Scottsdale, Arizona, and Binghamton, New York. In 1979, Mrs. Nevelson made her most visible imprint on New York in the form of the Louise Nevelson Plaza, an entire outdoor environment of her black sculptures on lower Maiden Lane in Manhattan.



In January 1976, Louise Nevelson presented her "Bicentennial Dawn" at the James A. Byrne Federal Courthouse in Philadelphia.

# James Olson Dies at 62; Was AT&T Chairman

The Associated Press  
NEW YORK — James E. Olson, 62, who as chairman of American Telephone & Telegraph Co. made the company more aggressive and cost-conscious, died Monday of cancer. Robert E. Allen, the AT&T president, who took over from Mr. Olson after he became ill last month, will continue to direct the company until the board of directors elects a chairman, a company spokesman said. Mr. Olson, 52, is the president and chief operating officer of AT&T. Mr. Olson was made president and chief operating officer in June 1983 after serving as vice chairman of the board since 1979. He was considered a "take-charge" executive with emphasis on getting results. Observers said that he had made AT&T more aggressive, more cost-conscious and more certain of its direction since taking office. He became ill on March 18 and had surgery seven days later. He returned home on April 1 and had been undergoing chemotherapy since.

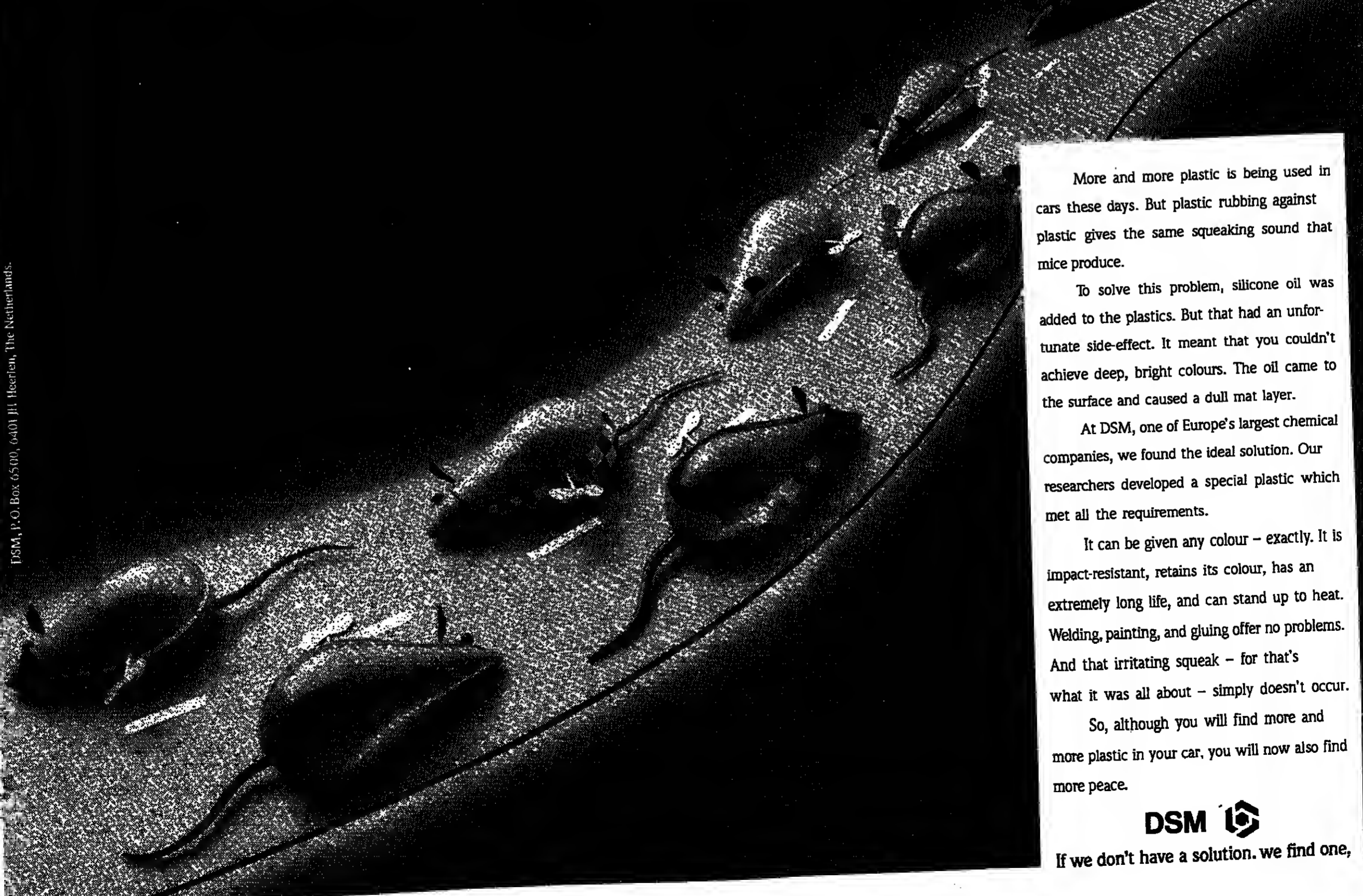
Haruo Shikanai, 42, Headed Fuji-Sankei TOKYO (AFP) — Haruo Shikanai, 42, chairman of the Fuji-Sankei group, which includes the Sankei Shimbun daily and the Fuji Television network, died Saturday. Doctors said Mr. Shikanai died of liver failure at Yokohama Municipal Hospital. Mr. Shikanai joined the group in 1970. Yuri Egorov, 33, Soviet-Born Pianist AMSTERDAM (AP) — Yuri Egorov, 33, a Soviet-born pianist who defected to the Netherlands in 1977, died in Amsterdam Saturday of meningitis, his agent said Monday. Born in Kazan, Mr. Egorov defected during an Italian tour in 1977, and settled in the Netherlands shortly afterward. His concert career included appearances in Chicago, New York, Philadelphia, Paris and Brussels.

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**Ryzhkov in Hungary For Talks on Economy**  
The Associated Press  
BUDAPEST — The Soviet prime minister, Nikolai I. Ryzhkov, arrived here Monday for a three-day visit that will include talks with his Hungarian counterpart, Karoly Grosz, on economic cooperation between the two countries and within the East bloc. The visit is the latest in a series of top-level bilateral meetings in Moscow and Budapest.

**Mine Clearing Aid**  
The British were expected to be seeking a half billion dollars of aid to help clear the minefields in the north of Laos. The British were expected to be seeking a half billion dollars of aid to help clear the minefields in the north of Laos. The British were expected to be seeking a half billion dollars of aid to help clear the minefields in the north of Laos.

# We've cleared the way for quiet driving.



More and more plastic is being used in cars these days. But plastic rubbing against plastic gives the same squeaking sound that mice produce. To solve this problem, silicone oil was added to the plastics. But that had an unfortunate side-effect. It meant that you couldn't achieve deep, bright colours. The oil came to the surface and caused a dull mat layer. At DSM, one of Europe's largest chemical companies, we found the ideal solution. Our researchers developed a special plastic which met all the requirements. It can be given any colour — exactly. It is impact-resistant, retains its colour, has an extremely long life, and can stand up to heat. Welding, painting, and gluing offer no problems. And that irritating squeak — for that's what it was all about — simply doesn't occur. So, although you will find more and more plastic in your car, you will now also find more peace.



If we don't have a solution, we find one.

INTERNATIONAL Herald Tribune

How to Help Ethiopia

Colonel Mengistu Haile Mariam, Moscow's man in Ethiopia since 1977, may be tottering. Despite its Soviet arms and advisers and its Cuban mercenaries, his army has just lost a big battle to secessionist rebels in Eritrea, and rebels in neighboring Tigré also report major success.

The Wise Were Wrong

Whoever wins in Afghanistan after 115,000 Soviet troops depart, it will not be the experts. It is worth recalling the mood and predictions when the Russians invaded in 1979 to prevent the toppling of a weak leftist regime in Kabul.

Bottom of the Class

They are not exactly oews, but the latest results on American students' science literacy seem particularly startling. The International Association for the Evaluation of Educational Achievement, testing students in 17 countries on their science knowledge at three grade levels, has found that American 10-year-olds start out near average — ranking eighth of the 17 groups at age 10 — but steadily lose ground from there.

Other Comment

A Murder's Consequences The satisfaction shown in private by Israeli authorities, the skill with which the murder of Abu Jihad was committed, even the fact that the Palestinian leader's wife and children were spared — it all leaves practically no room for doubt that the head of the PLO's military forces was indeed the victim of an Israeli commando, and that the order to eliminate him was given at the highest level in Jerusalem.

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

Now Let's Air Out the Brezhnev Years

By Roy Medvedev

MOSCOW — Not so long ago, tens of thousands of inhabitants of the city of Volgograd, as well as war veterans, demanded that the city be given back its former name, Stalingrad. They were extremely distressed when their numerous demands and requests were all refused.

but too slowly if the broad masses of blue- and white-collar workers are borne in mind. Didn't the Soviet Union reach parity with America in strategic arms under Brezhnev? Yes, this goal was reached, but at too great a price for our economy and far beyond the limits of reasonable sufficiency.

Dagestan offered him and his circle kilograms of gold. Not only gold-embroidered khachaps (padded cotton coats), which could have made even the Bukhara emirs jealous, found their way to Moscow from Central Asia, but also masterpieces of Eastern art. More than 40 foreign pieces of Eastern art. More than 40 foreign pieces of Eastern art.



Drawing by PANCRO

tragedy. The history of this difficult struggle which even today has not been concluded, still will not be written, any time soon. Criticism sounds very sharp, but it concerns all signs of stagnation, and not its individual and most visible representatives and creators.

To finish with Brezhnevism it is not enough to take down signs. It is necessary to let some air into not only the fearful '30s but also the suffocating '70s.

A Jackson Presidency Could Repair America

By Norman Mailer

NEW YORK — In the spring of 1977, when Ed Koch was beginning his first successful campaign for mayor, I gave him a small fund-raising party. Ed always took nice cognac; he invited my wife and me to dinner a couple of times at Gracie Mansion, and he was helpful to PEN when we had the 48th International PEN Congress in New York. Mayor Koch and I were over that close politically, but I liked him. I still do. It is just that I cannot forgive him.

our Jack, but he brought light into the lives of my generation. Jesse Jackson is not perfect. I have no idea if I would like him if I knew him. (Of course, the same may be said for George Bush, Michael Dukakis and Albert Gore.) I do not know if I trust him altogether. So what? The same may be said for Messrs. Bush, Dukakis and Gore. What does count for me is that Mr. Jackson offers a cogent sense of sympathy for human suffering. He can appreciate the paucity of identity among the underprivileged. Of all our candidates, he speaks to our powerful passion for human promise and improvement.

Our Jack, but he brought light into the lives of my generation. Jesse Jackson is not perfect. I have no idea if I would like him if I knew him. (Of course, the same may be said for George Bush, Michael Dukakis and Albert Gore.) I do not know if I trust him altogether. So what? The same may be said for Messrs. Bush, Dukakis and Gore. What does count for me is that Mr. Jackson offers a cogent sense of sympathy for human suffering. He can appreciate the paucity of identity among the underprivileged. Of all our candidates, he speaks to our powerful passion for human promise and improvement.

The real issue is that we in America may not be able to solve any of our worst problems in organic fashion until a black man does become president.

Jackson Is a Protester, Not a Governor

MAYOR Koch, who never has been known as a disciple of Lord Chesterfield in matters of manners, has been presiding as the pyromaniac at the bonfire of the Democratic vanities in the run-up to New York's primary. In that capacity, he has said that Jesse Jackson's programs would bankrupt the treasury in six weeks and leave it defenseless in three weeks. A Jackson spokesperson accused the mayor of "exaggeration."

Mr. Jackson remains what he has always been, a protest leader, indeed a generic protest leader. What's happening is a farm foreclosure in Iowa, a plant closing in Wisconsin, a naval aviator held in Syria, a Panamanian dictator who needs a talking-to? Mr. Jackson, call your office.

100, 75 AND 50 YEARS AGO

- 1888: Stables Destroyed NEW YORK — Federal Senator Stanford is one of the Pacific millionaire. He is noted for his extensive connection with the American turf and the breeding of thoroughbreds. His extensive stud farm and stables at his residence Palo Alto, in California, had become great show places. Last night [April 17] his stables burned down.
- 1913: Japanese Protest TOKIO — Agitation here against the California alien land law culminated [on April 17] in an outbreak of public feeling at a meeting in the Kokugikan Amphitheatre. A crowd of 20,000 people listened to the fiery orations of a number of speak-
- 1938: Chamberlain Plan LONDON — Prime Minister Neville Chamberlain may retire from politics if he can implement a treaty of pacification with Germany and lead his party to success at the next elections.

مكنا من التحليل



# LONDON CITY AIRPORT

London's once decaying Docklands have been dramatically transformed into one of the great urban regeneration projects in Europe this century. Catalyst to this change is London City Airport, just six miles from the Bank of England at the heart of London's financial district — the City.

## Docklands: The City's New Runway to Europe

LONDON City Airport, which was opened in November by Queen Elizabeth II, is Britain's first new airport in 40 years. It owes its existence to six years of hard work, imagination and private enterprise on the part of civil engineers John Mowlem, who own and operate the airport, Brymon Airways and the London Docklands Development Corporation.

What had become a wasteland, quietly rotting since maritime operations at the London Docks went into decline at the turn of the century, has now been masterminded by the corporation into a massive commercial, industrial, residential and leisure mix. It is a sort of Manhattan, colored by the occasional glimpse through office blocks and waterside gardens of a windsurfer's bright sail.

London City Airport, built at a cost of some £35 million (\$64.05 million), is situated on a 92-acre site bounded by the Royal Albert and King George docks to the north of the Thames, with the runway extending the whole length of the original wharf that separated them. The whole operation was targeted from the start at the business traveler,

with extras such as a maximum check-in time of 15 minutes and a high degree of comfort — even elegance — in the terminal building.

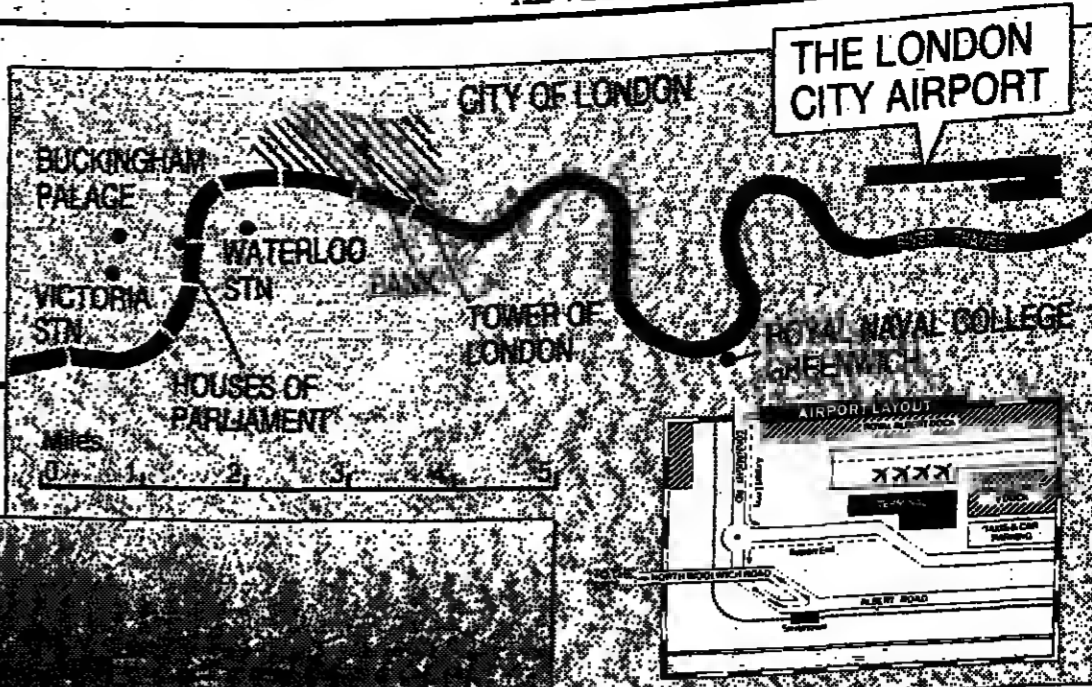
Soothing shades of blue-gray and dusty pink, waterside views and the reassurance of Network Nine — the new office facilities group, where anything from a photofax to a press conference can be arranged — combine to create an executive suite effect, a world away from the usual hectic airport, crowds and atmosphere.

Both airlines operating from London City, Brymon and the recently renamed London City Airways, are using the Dash 7, "the nippy white bird" as it is affectionately called — a four engine, short-takeoff-and-landing aircraft. Licences have been granted to the two carriers for a total of ten "short hop" routes. The initial concentration is on the Paris and Brussels business run — with Brymon's Plymouth service timed to connect with their Paris flights. London City Airways' new Amsterdam service heralds other destinations to be in service shortly.

— Caroline Walker  
London-based freelance writer



The runway extends the whole length of the wharf that separates the Royal Albert and King George docks.



## The High Risk of Building a City Airport

JOHN Mowlem, one of Britain's leading construction groups, displayed considerable entrepreneurial spirit when it decided six years ago to build an airport in London's docklands.

Building an airport was nothing new to Mowlem: it had the Falkland Islands and Diego Garcia airports, among others, to its credit. But managing an airport was an entirely new venture, carrying consequently a high degree of risk. Sir Philip Beck, Mowlem's chairman, believed City business people could be attracted to the airport by a high-quality service tailored to their needs.

Mowlem spent about £35 million building the airport,

using a mixture of its own capital and an £8 million loan from the European Investment Bank. Its return comes from the rent charged to airlines and contracts and concessions to companies in the airport building. It expects to reach the break-even point in the third year. If the airport is a success Mowlem may either float the company or sell it.

For the present, though, Mowlem must continue to build up business at the airport. It describes as "the most restricted in the U.K., with limitations on aircraft type, noise and performance." The proposal to build a suspension bridge, which would halt plans to introduce the larger but relatively noiseless BAe-146 jet, is looked upon as a

major irritation, not an insuperable obstruction. After Sir Philip decided he wanted to build an airport in London's Royal Docks, Mowlem started a year of discussions with aircraft manufacturers and others in the industry.

The company won its planning permission in April 1986, four years after it had been applied for and after extensive public hearings. Work on the project began soon after. It took 18 months to complete.

Sir Philip says he would be interested in developing another, similar project. "But the question is finding the right cities," he said. "There are not many where there is sufficient demand for an airport within the city bound-

aries. An obvious example is Paris, where there is room for improvement. That would be a logical development if one could find a site."

As to further development in Britain, Sheffield lacks an airport, but it quite possibly also lacks a large enough catchment area to make building one a viable proposition.

"The fact that a city has no airport doesn't mean that it would be a good idea to build one. There may be good reasons why one has not been built," he said. Sir Philip also made the point that there is nothing new about construction companies getting involved in the provision of major infrastructure investments.

— Margaret Coles  
freelance writer for The Daily Telegraph

## The French Connection: More to Come

IN February 1919 the first commercial flight on the Paris-to-London route carried passengers in a Farman Goliath and took just over two-and-a-half hours with three stops.

That same year 624 passengers flew the route and by 1922 there was a regular service from Paris to Croydon operated by one of the small companies that combined to form Air France in 1933.

Today the route between London and Paris is the leader for Air France in terms of the numbers of passengers transported — over a million a year since the early 1980s. These strong connections with London were given a new dimension when the airline teamed with Brymon Airways to operate a joint service between the new London City Airport and Charles de Gaulle Airport.

The new summer schedules list an early morning flight leaving at 7 A.M. and flights every two hours from London City to Paris. Services have been increased to seven flights in both directions weekdays with one flight each way on Saturdays and Sundays. The new weekday times from Paris are every two hours from 8 A.M. to 8 P.M.

The time difference between the Continent and Britain works in favor of those flying into London, and two-thirds of journeys originate at the continental end. The Paris business traveler to London gains an hour — a valuable time saving when you realize that a large proportion of this traffic is on a "day-return" basis.

The partnership with Brymon is an extension of the French national carrier's overall commitment to international regional airlines, whose aircraft it regularly uses. Independent assessments bear out the optimism felt for future growth on the London-Paris route. It is estimated that by 1995 (three years after deregulation of the European market and the beginning of the "open skies" policy in 1992) the overall passenger volume to Paris from all four of London's airports will be about 4 million — 2.3 million of these passengers will be business travelers. The highly relevant experience of Brymon — with STOL aircraft — and Air France in operating the route for nearly 70 years gives their partnership a "flying start" in a lucrative market.

— Elizabeth Hennessy  
freelance writer for The Guardian

There's one thing you'll miss at London City Airport. The crowds.



Arrive at Gatwick or Heathrow for a business trip to Paris or Brussels, and what will you find? Holidaymakers. Hordes of them, making your trip to the check-in desk seem like a tiresome obstacle course. Whereas at London City Airport you'll find a delightful hassle-free environment. The only people there will be business travellers like yourself. Everybody else will be making sure your check-in time is as quick as possible, around 15 minutes. Arrive early, and you can enjoy the Brasserie or work in the Business Centre. After all, London City Airport is just 6 miles from the City. With 10 flights a day leaving for Paris and 5 to Brussels, Brymon and London City Airways offer the best in in-flight service. And very soon you will be able to fly direct to other major European cities like Amsterdam, Rotterdam and Düsseldorf. So, if you would like to save time to Paris or Brussels, use the flying times below.

TO PARIS (C.D.G.)				FROM PARIS (C.D.G.)			
London Departures				Departures			
0700	0815	0900	1100	0730	0800	1000	1100
1200	1300	1500	1600	1200	1400	1500	1600
1700	1815	1900	1930	1800	1845	2000	

TO BRUSSELS (National)			FROM BRUSSELS (National)		
London Departures			Departures		
1015	1530	1845	0825	1250	1805

TO AMSTERDAM (Schiphol) From 9.5.88			FROM AMSTERDAM (Schiphol) From 9.5.88		
London Departures			Departures		
0845	1445	1930	0800	1130	1730

FOR BOOKINGS AND DETAILS OF WEEKEND FLIGHTS CALL: BRYMON & AIR FRANCE (LONDON) 01-478 5000

LONDON CITY AIRWAYS & SABENA (LONDON) 01-511 4200  
SABENA & LONDON CITY AIRWAYS (BRUSSELS) (02) 511-9030

UTA & LONDON CITY AIRWAYS (C.D.G.) (1) 4862-1382  
AIR FRANCE & BRYMON (PARIS) (C.D.G.) (1) 4535-8161

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For local companies or executives in transit.

### Open for Business

WITH the business traveler in mind, London City Airport has now opened a new business center where the lone traveler can work in peace and privacy, or set up a base for meetings and conferences.

tered lines, with excellent use of natural light. Its colors are soft and the environment is more like that of a hotel than an office — in keeping with the effect which the airport's builders, John Mowlem, set out to achieve.

The center can be easily reached within minutes of landing. It covers 3,700 square feet (343 square meters) and has conference and meeting rooms ranging from one-person offices to a boardroom that can accommodate 50 people.

It has been designed to provide facilities that particularly suit European and British business travelers.

All the facilities of a modern office are there, from telephones, teleprinters and computer links to over 100 data networks worldwide, fax machines, word processing and secretarial services. If necessary, audiovisual equipment, personal computers and mobile telephones can also be hired. The rooms are rented by the hour, or on short-term licenses for up to a month.

"We have really geared ourselves up to meet their needs," says Mr. Bill Blake-more of Network Nine. "We have taken the concept of a workstation one stage further to create a room which is really a mixture of an office and a telephone kiosk. The idea is to provide a place where the business person can spend half an hour or so before flying into or out of the U.K."

The business center is managed by Network Nine, a division of British Telecom, which already runs four similar centers in Britain. This latest is the first to be opened in an airport. The center is well-designed, on cool, unclut-

tered lines, with excellent use of natural light. Its colors are soft and the environment is more like that of a hotel than an office — in keeping with the effect which the airport's builders, John Mowlem, set out to achieve.

One of the most sophisticated of the center's services is the telephone meeting facility. It allows up to 40 people in different locations to participate in a meeting.

The simplest and cheapest way of holding such a meeting is via the Rendez-Vous Conference Call. This entails using British Telecom's telephone linking equipment and simply dialing a number at a prearranged time. Alternatively, an operator can be asked to dial out to each of the participants.

Another useful boardroom facility for meetings and presentations is the electronic writing board system. This enables an operator to create images or text which can be transmitted to several locations. By using the board in conjunction with the telephone meeting system, charts, data and diagrams can be modified by people in different locations as the meeting progresses.

For the businessman or woman in a hurry, the small one-person offices, complete with microcomputer, will probably prove the most valuable facility. As executives speed through the airport, these facilities will let them talk to their offices, adjust sales figures or update and print out high-quality reports before leaving for meetings.

"We can show them how to reach their base or, if they wish, get them through to British Telecom's travel and insurance services," says Mr. Blake-more.

As he explains: "We've set out to cater not just for today's business travel needs but also for future needs. We see our task as helping to encourage business people to use this airport rather than any other, by adding value to what London's docklands can offer. As we put that message across more, and the passenger throughput increases, our intention is that the business traveler sector of the market eventually becomes the main sector."

— Margaret Coles

## Trial Run For a European Short-Hop Service

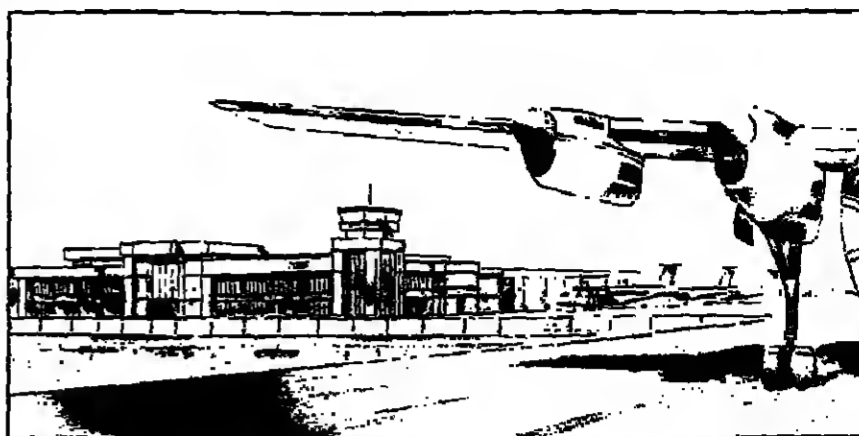
WHEN Captain Harry Gee, flight operations manager and now a member of the company's executive board, made his first experimental landing in London's docklands in June 1982, it was evident that the plans for building a new airport could at last be realized.

Brymon, Mowlem and the London Docklands Development Corp. were all three deeply committed to the idea. Brymon was at the time the only airline in Britain to operate the Dash 7 short-takeoff-and-landing aircraft, which it has used extensively in Scotland and Southern England.

The company is based in Plymouth, Devon, where it has been run since 1983 by Charles Stuart, a former marketing director of British Airways. Mr. Stuart was brought in to restore Brymon's flagging fortunes and succeeded in turning it round to become

one of the U.K.'s most successful domestic airlines. He was asked to take it on by de Havilland, Canada, which bought Brymon in December 1983. He originally intended to stay for one year only; but eventually he and his fellow directors bought the airline themselves, with British Airways taking a minority holding.

In 1986 Brymon invested £2.6 million (\$4.8 million) in Plymouth City Airport aimed at reducing bad-weather diversions, accommodating new, quiet, regional aircraft and improving general operational efficiency. In doing all this it created a new type of airport — Britain's first Short-Take-off-and-Landing Airport (STOLport), the prototype for London City. Mr. Stuart calls this new business air travel service "Cityclass" and sees the concept developing through mainland Europe during the 1990s "as a highly



Stolport and the Cityclass way to travel.

specialized, personalized, scheduled air service for the inter-European business traveler." Mr. Stuart is no newcomer to business travel. During his time with BA, he was responsible for the introduction of shuttle services between London and Scotland. In the same way that this term has become generic for describing "turn-up-and-take-off" services, he wants City-

class to become "the automatic way for Stolport passengers to travel." He would also like the London City Airport terminal to be copied in virtually every major European airport.

Such a development is, he feels, a vital plank in what must be the airlines' counter-attack to the new, fast and luxurious European express trains, heavily subsidized by

national governments, which are planned for the 1990s. A keynote of the Cityclass concept is attention to the comfort and convenience of the business traveler: better service, more flights, private lounges and business facilities; in the air a relaxed champagne and cordon bleu service and an inflight telephone service.

— Elizabeth Hennessy

## New Name, Wider Service

ONE of the two airlines operating from London City Airport has embarked upon a new phase of expansion and marked the occasion with a change of name. Eurocity Express is no more. The airline is now called London City Airways.

On April 18 Amsterdam became its third European destination, in addition to Paris and Brussels.

The airline was considering Rotterdam-London as its next route, but Jonathan Wilson, director and general manager, decided instead to make a play for the very competitive, high-volume U.K.-Amsterdam route.

Meanwhile, the airline's chairman, Michael Bishop, has been lobbying vigorously for permission to fly the British Aerospace 146 jet from

London City Airport, and hopes to introduce the jet during 1989-1990.

"Mr. Bishop is very keen to accelerate plans to introduce the BAe-146 and he has suggested to John Mowlem that they consider applying sooner rather than later for planning changes to allow the BAe-146 to fly in," says Roger Palmer of London City Airways. "He believes the future success of the airport depends on developing the existing routes and establishing slightly longer-distance routes with a jet aircraft."

Mr. Bishop's hopes for the BAe-146 could be short-lived if the plan to build a suspension bridge across the Thames close to the airport goes ahead. If this happens the airline will continue to operate using the Dash 7 "for the

foreseeable future." While Mr. Bishop puts much of his energies into political lobbying, and keeping in touch with developments in government and industry, Jonathan Wilson brings to the airline a management expertise acquired at Virgin Atlantic and Laker Airways.

Mr. Wilson, still in his early thirties, is one of the youngest senior managers in the airline business. "He wants to get routes up and running as quickly as possible and is now looking at three years instead of five to get the airline into profit," says Mr. Palmer.

The suspension of Paris services from the airport by the Civil Aviation Authority for four weeks because of a lack of sufficient radar coverage was a major setback. Mr. Palmer says, however, that business is

returning gradually to previous levels of 45 percent of capacity on the Brussels route and 15 percent on the Paris service.

London City Airways is operating with two Dash 7s leased from Sabena Airlines, and this arrangement will continue for the time being. A third Dash 7 is on order with an option on a fourth.

"Sabena were very keen to get involved with the airport

but thought it more appropriate at the start to have a joint venture with a partner rather than operate in competition," says Mr. Palmer.

"The plan was that when the route had grown sufficiently Sabena would have the option of pulling out and operating in opposition, but I would be extremely surprised if that happened within two years."

— Margaret Coles

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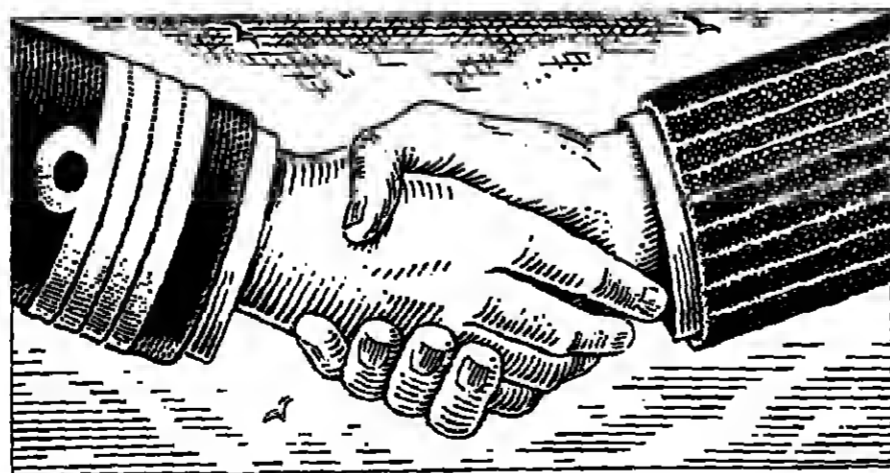
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— Elizabeth Hennessy



LONDON CITY AIRPORT

ARTS / LEISURE

An Ovation For Beene

By Bernadine Morris  
New York Times Service

NEW YORK — On the last day of fall fashion openings, Geoffrey Beene drew a standing ovation. He showed high waists, short skirts and jump suits, but one of this was important, for it was a collection that transcended the ups and downs and ins and outs of fashion.

Each style was unique and exquisitely executed; each represented an imaginative thrust that is rare in

NEW YORK FASHION

the annals of fashion. Beene is celebrating his 25th year in business with great style.

Donna Karan's fans were also enthusiastic. The designer had managed to make her long, slender clothes look as sexy as her shorter styles last season. She is still simplifying the matter of dressing for contemporary women, basing many of her outfits on body suits. Her contribution this season: the knitted jacket that is as supple as a sweater.

The Beene collection actually succeeded in making the current headline controversy seem irrelevant, and not just because the designer is carrying forward his longtime preoccupation with the jump suit. He likes the way it looks, and he believes that, like the Karan body suit, the one-piece jump suit simplifies dressing. He shows it with raincoats and high-waisted jackets for day; in satin with cashmere tops at night.

But jump suits are only part of the fashion story. Skirts and dresses remain short, a few inches above the knee. It is the length Beene preferred long before every designer got on the short-skirt bandwagon a year ago. Bib-top jumpers, skirts in spongy wool fabrics that match wide, swingy coats, and princess dresses are some of the short styles.

For evening, Beene has a predilection for ankle lengths, usually with full skirts and slightly lifted waists, though he shows some floor-length styles as well. His inventive cuts include an evening dress made with a single seam, slanting from under one arm to a thigh-high hemline slit.

But even more imaginative is the way Beene selects and combines fabrics. He edges Ultrasuede jackets with scalloped bands of lace, for instance, and lines a striped gray wool coat with flowered silk.

While some day clothes are shown with thick, opaque stockings, dressier clothes are shown with a variety of lacy stockings. It is one of the feminine



Short, flared cocktail dress by Geoffrey Beene.

touches in a collection in which the seductiveness is usually low key.

The Karan clothes, on the other hand, seem to sizzle. They are tautly draped; long dresses inspired by men's dinner clothes cling to the body. Even bulky sweaters dip off one shoulder, and trousers have high waists, fitting snugly through the midriff.

Big shawl-collared coats and upgraded duffel coats with metal toggles open on snug bodysuits and knee-length draped skirts. Karan likes the one-color look, showing jacket, skirt, stole and stockings all in the same dark green.

Karan speaks with her own voice. Together with that of Geoffrey Beene, her collection enhances the strength of American fashion.

African Music: Corruption by Success

By Mike Zwerin  
International Herald Tribune

PARIS — Claiming that so-and-so was the first to do this or that often overlooks somebody else in Peoria, Bordeaux or Odessa who did the same thing without your knowledge. But this is a simple statement of fact: Martin Meissonnier introduced African music to the developed world. It's a fact he has second thoughts about.

"I guess it's true," he shrugs, appearing somewhat world-weary for his 31 years. "I was the first one to put African music together with electronic instruments." Like scientist Leo Szilard who turned pacifist after contributing to the development of the atomic bomb, Meissonnier has come to regret what he unleashed.

His responsibility began when he managed the first — triumphal — European tour of the Nigerian star Fela Anikulapo Kuti in 1981. He had been managing tours for and producing records by jazzmen like Don Cherry and the Turkish percussionist Okay Temiz. He loved jazz, he has always avoided working with anything he does not love. But after hearing his music, Fela became an irresistible passion. Meissonnier was only 24, he idolized the man, he had a lot to learn. He scheduled another tour six months later.

"It was a total disaster," he says. "It was too soon. There were something like 90 people at one concert. Bookings were canceled, promoters went bankrupt. I found myself paying for Fela's road crew, musicians and his entourage of 70 people staying in four-star hotels, ordering room service for almost three weeks. The meter was ticking like crazy. I went into receivership."

The Fela experience cured him of any temptation to promote more tours, even by people he loved. And serving as executive producer on Fela's albums "Black President"



Martin Meissonnier: "From now on I want to work closer to the roots. I guess I'm a purist."

and "Original Sufferhead" cured him of Fela. "It was an awful experience. He has such an enormous ego. He's impossible. I still respect him for what he's done, but no longer for what he is."

The passion for African music remained. Chris Blackwell, founder and owner of Island Records, sent him to Lagos to work with another popular Nigerian band leader, King Sunny Ade. Meissonnier and Ade chose material and then went to London to record in 1982. Fifteen-minute numbers were cut in half, and the sound was modernized through the addition of synthesizers and rhythm machines; the milestone albums "Juju Music" and "Synchro System" launched Ade's international career.

The albums achieved a delicate balance, broadening the appeal of the music without destroying its Yoruba roots. Each one sold close to 500,000 copies worldwide and 250,000 in Nigeria. "The ancient music we leave at the bottom of the sound," Ade explained to Black Music magazine. "That foundation is always there. Whatever new textures we might be introducing are

just elaborations. The essential African character is not lost."

The international rock press began to cover African music; it was featured in fashion magazines. Concerts by African groups like Touré Kunda, Mory Kanté, Sefi Keita and Alpha Blondy filled European and American sports palaces. Paris has come to be called the capital of African music because that's where the musicians find financing, technology, promotion and, not the least of it, Martin Meissonnier — who has also produced albums by Manu Dibango, Ray Lema and the Malapoets from Soweto, among many others.

But now he says: "The state of African music is catastrophic. The great masters are losing touch with their traditions. They are leaving their wonderfully complex rhythms behind in favor of 4/4 time with a back beat. They are playing disco. I do not want to speak badly of anybody, and I guess it is to some degree my own fault, but real African music is in the process of being corrupted by its success. It's come to the point that the more successful a record is, the less it interests

me. The only African music I want to hear is played only in Africa."

Despite nagging doubts, his passion was still strong enough last year to produce the first album aimed at the international market by the Zairian superstar (still to be discovered in Europe) Papa Wemba. "I think we achieved a good balance between technology and tradition," Meissonnier says. "But the big problem here will always be the media. It's almost impossible to get a record played on the radio unless it's got a drum machine. Reviewers rave when they hear overproduction, oversimplification and deracination. They want to hear European roots grafted on. I mean, I'm still trying, but once African music becomes popular in Europe, chances are it's no longer African."

He tried one more time this year, having just completed an album by the Algerian singer and songwriter Cheb Khaled and the tradition-based rock-textured music called RAL. RAL was born in North African brothels during World War II. Like coteremporary Brazilian music, it is based on folklore adapted

by songwriters and singers who added their own melodic material and lyrics, which are earthy. It was banned on Algerian radio until three years ago.

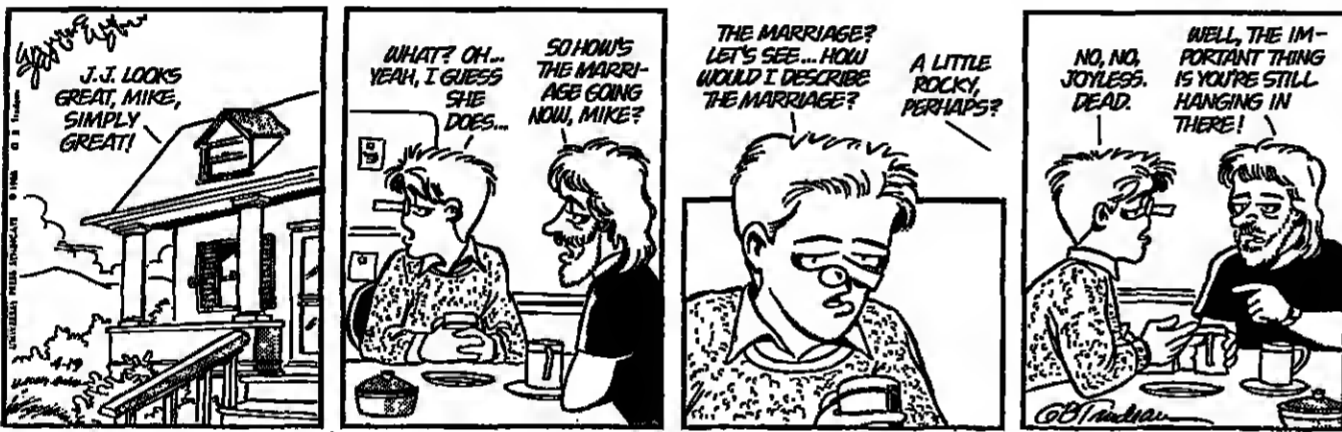
Meissonnier compares RAL to the new flamenco music in Spain: "All of a sudden you can say in a song that you desire a woman. Traditional Algerian music is no longer for the older generation of musicians. A retired Algerian army colonel named Shoussi who directs the Riad El Feth cultural center, the Beaubourg of Algiers, is a sort of Algerian Jack Lang who adores RAL, and he arranged to have this project subsidized by the government. It's an historic album, the first RAL to be recorded in a state-of-the-art professional studio with professional marketing and distribution."

The album "Koutche" is scheduled to be released by Pathe Marconi next month. Meissonnier calls Khaled the "Michael Jackson of North Africa," but corrects himself: "No, Michael Jackson is the Michael Jackson of North Africa. But Khaled is the most famous indigenous pop star. He's recognized everywhere he goes. He lights his room when he walks into it. It's like having dinner and there's a piano in the room, he'll sit down and sing. He sings every night. When he comes to Paris, he makes the rounds of the Arab clubs and sits in everywhere."

"It's a bit like James Dean. A kind of tragic charisma. He makes big money, lives very well; always drives a big car, usually cracks them up pretty fast. He spends everything he makes. You know, burning the candle at both ends. I adore him. Any Arab will recognize the music on 'Koutche' as his own, though he may never have heard the texture before. Everything on this album was programmed on a Fairlight computer. I spent months in the studio syncing up the programs with vocal tracks. This can get pretty boring. In fact I've had it with manufacturing products. From now on I want to work closer to the roots. I guess I'm a purist."

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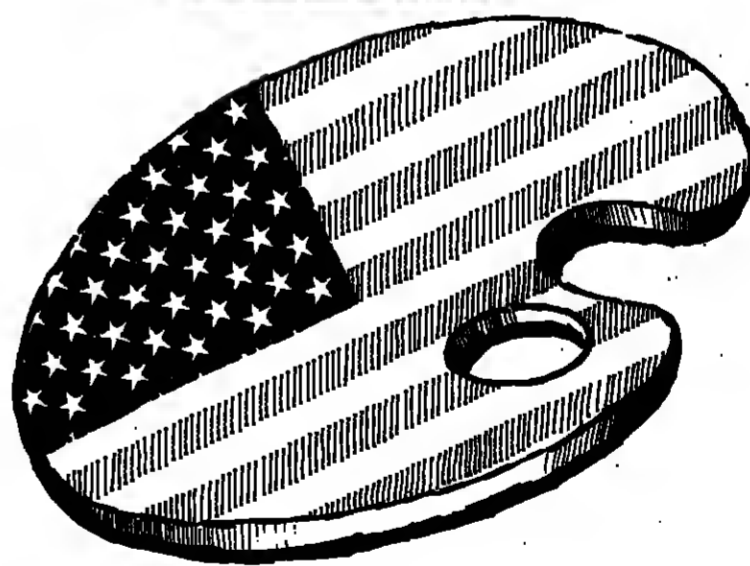
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INTERNATIONAL STOCK MARKETS

Modernization, Recovery Are Watchwords in Oslo

By STELLA BUGGE

OSLO — Norway's stock market, which took one of the worst tumbles of any stock exchange in last year's share crash, is recovering and entering a needed period of modernization, share analysts say.

But new administrative measures have also increased investor confidence, said Roy Halvorsen, a spokesman for the Oslo Stock Exchange. Share analysts agree that the introduction of electronic trading last month, which replaced an old-fashioned auction system in use since the exchange was founded 150 years ago, has greatly improved securities transactions.

Last month, electronic trading replaced a 150-year-old auction system.

All trades, both on and off the exchange, must be reported within five minutes and prices are now continuously updated. The system has brought more turnover to the exchange.

The government also has plans for the Oslo exchange. Within the next few weeks, the legislature is expected to approve a rigorous law on share trading that is aimed at ridding the bourse of persistent allegations of insider trading.

The law, first proposed last summer, would introduce stiffer prison terms for insider trading and allow the government to write the exchange rules and appoint members of its board.

"That, and the electronic system should help rid the exchange of its rather clubby, rumor-driven image," said one broker, who declined to be identified. "It will give us the same standard of legislation as in many other countries," said the deputy bourse commissioner, Lars Oftedal-Broch.

The Norwegian Finance Ministry also announced long-awaited guidelines for options trading last month that may become law by the middle of this year.

THE PLAN allows for more than one clearing house, but limits trading to the Oslo bourse and allows only "call" options, which give the right to buy. "Put" options, the right to sell, have been omitted because of fears that selling stock short would be encouraged.

Short-selling, the sale of shares one does not possess, violates stock exchange rules in Norway. "We think the system should include 'put' options, but I do understand the need for gradual steps," Mr. Oftedal-Broch said. But even though the Oslo exchange is making changes, foreign investors are taking a fairly cautious attitude.

At the peak of last year's rise, foreign investors accounted for about a quarter of turnover. The all-share index soared by more than 50 percent from January 1987 to hit an all-time high of 442.44 on Sept. 21.

But after the October crash, the index tumbled to a low of 241.46 on Dec. 16. The recent rally pushed the index above 300 points last week amid definite signs that foreign investment is edging back into the market. On Monday it closed at 291.35.

"Foreigners feel more inclined to invest in Norway when the market is on the rise, but they will be the first to go if the market shows signs of cracking," said Cecilie Aall, resident vice president of Citibank's Norwegian subsidiary.

"The foreign interest is back, but it is highly selective," one broker said. "They only buy top blue chips like Norsk Hydro and Norsk Data."

Pirelli To Buy U.S. Firm

Armteck Selling Armstrong Tire

By Claudia H. Deutsch

NEW HAVEN, Conn. — Italy's Pirelli group, frustrated in a recent bid to buy Firestone Tire & Rubber Co., has agreed to buy Armteck Corp. from Armstrong Tire Co. for \$190 million, Armteck said Monday.

Armteck and Pirelli SpA have signed a binding agreement for the sale, said John N. Sievers, director of corporate planning for Armteck. The transaction is subject to approval by the Armteck board and is expected to be completed by May 31, Mr. Sievers said.

Pirelli, the Italian tire maker, was considerably outbid by Bridgestone Corp. of Japan last month in its attempt to buy Firestone.

Pirelli will acquire Armstrong Tire's manufacturing plants in Des Moines, Iowa; Hanford, California; and Nashville, Tennessee, as well as its tire cord and fabric manufacturing plant in Laurel Hill, North Carolina.

An Armstrong tube plant in Little Rock, Arkansas, is not being sold, though Pirelli has expressed an interest in buying it later, Mr. Sievers said.

Armstrong Tire employs about 2,700 people. Its sale to Pirelli follows a trend toward consolidation in the tire industry, caused largely by stagnant sales that are due to greater use of long-life radial tires.

In Milan, meantime, Pirelli said it had asked the Italian regulatory authorities to suspend quotation of its stock during Tuesday's session, pending a statement on structural reorganization of the group.

Mr. Sievers of Armteck said proceeds from the Armstrong sale probably would be used to reduce Armteck's debt. Long-term debt was about \$300 million at the end of the first quarter, he said.

In addition to its tire factories, Armteck is the parent of Dayco Products Inc., a supplier of engineered drive systems; Blackstone Corp., a maker of heat exchange systems and parts; and Copolymer Rubber & Chemical Corp., a producer of specialty polymers.

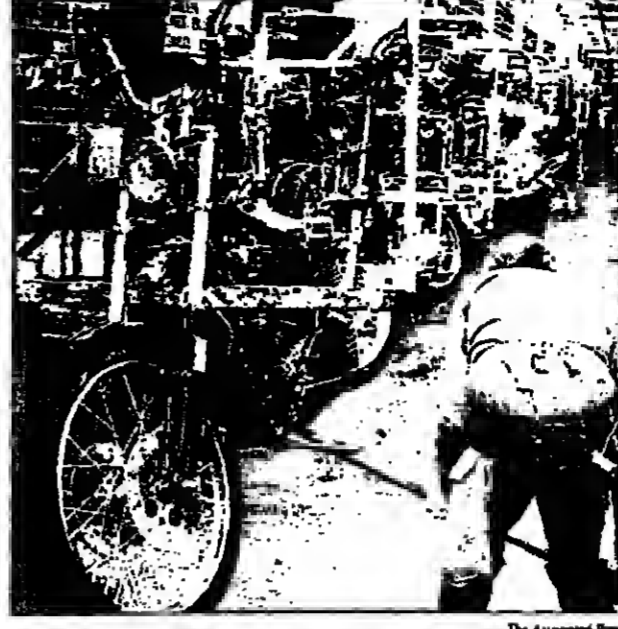
Mr. Sievers said the sale of Armstrong would enable Armteck to make additional acquisitions. (AP, Reuters)

Harley Is Roaring Along, for Now

But Decline In Market Poses Threat

By Claudia H. Deutsch

NEW YORK — It is 1983 and Harley-Davidson Inc., the last surviving American maker of motorcycles, is begging the government for help. The 1982 recession has all but killed the motorcycle market and Harley, leaning red ink, claims that the Japanese are dumping their excess inventory in American markets.



Harleys being inspected at the York, Pennsylvania, plant.

The International Trade Commission agrees. It slaps Japanese companies with a 49 percent tariff on large bikes, a tariff to be reduced over the next five years.

Skip ahead to 1986. Harley is in Washington again — this time, not in supplication but in triumph. Its two plants are humming along at peak efficiency. Its bikes, despite \$10,000 price tags, are best-sellers. And its income statement is comfortably swathed in black.

Remove the tariff a year early, Harley suggests. Washington, with much hoopla, culminating in a personal visit by President Ronald Reagan to the Harley plant in York, Pennsylvania, willingly complies. Harley has been profitably roaring along ever since.

But was the motorcycle tariff a good idea? Or did it, by raising the prices of Japanese bikes, deal a body blow to motorcycling in the United States?

No one disputes that the Japanese companies were dumping bikes. But motorcycle aficionados say, most of those bikes appealed to riders who were unlikely to have bought the huge, mean-looking Harleys in the first place. The Harley tariff took away the ability to find different types of motorcycles at reasonable prices, said Paul Dean, editor of Cycle World magazine.

"And that did not do the motorcycle industry any good." U.S. motorcycle sales have been declining for two years. Part of that decline stems from the general aging of the population. But part may have been traced to the tariff. Harleys have always been too big and too expensive to serve as entry-level bikes. And the tariff took many Japanese bikes out of range for beginners.

Harley is trying to turn the trend around. The company has introduced a new model, with an 83cc engine, at the — for Harley — astonishingly low price of \$3,995. Any 883 owner who wants to buy a big, \$10,000 Harley within a year can turn in the 883 and have the full purchase price applied.

But learning to ride a motorcycle by hopping on a Harley, even a Harley 883, would be like they simply did not want to buy inferior quality," said Oliver Shokouh, who owns the Harley-Davidson dealership in Glendale, California. Michael J. Lombardi, who runs Frank Lombardi & Sons Inc., Harley's Staten Island dealership, is even more blunt: "I used to feel bad taking customers' money, the quality was so bad."

Today, Harley executives say that Harley's troubles were internal. "For years we tried to figure out why the Japanese were beating us so badly," said Vaughn Beals, Harley's chairman and chief executive officer. "First we thought it was their culture. Then, we thought automation. Then, dumping. Finally we realized the problem was us, not them."

What has helped Harley most in the past few years was not protectionism but cash. In 1986 the company went public. Since then, Harley, which earned \$17.7 million on revenue of \$68.4 million last year, has regained 40 percent of the market for over-850cc bikes, the only kind it makes. It has a thriving business from parts and accessories, and from licensing its name for T-shirts, bags, even cigarettes. The licensing not only brings in nice fees, but "it gives us national advertising that we could not afford to do," Mr. Beals said.

Recently Harley has used its new-found financial health to learning to fly in a 747. And unless people start out on less-powerful bikes now, there will be no one to trade up to a 1,340cc, the size of Harley's mainstay bike, in the 1990s. "In many ways," said Mr. Dean, "Harley shot itself in the foot."

The sad thing, many say now, is that Harley did not have to do it. Harley riders are a fiercely loyal group. Had Harley's reputation not already been tarnished, it is unlikely the Japanese bikes would have wooed many of its customers.

That is something even Harley dealers concede. "People would have rather bought American; See HARLEY, Page 15

Paul Dean, Editor of Cycle World

'In many ways, Harley shot itself in the foot.'

Paul Dean, Editor of Cycle World

See HARLEY, Page 15

Irving to Sell Majority Stake To Italian Bank

By Claudia H. Deutsch

NEW YORK — Irving Bank Corp., fighting a hostile bid by Bank of New York Co., said Monday it had agreed to sell a majority stake to Banca Commerciale Italiana for about \$600 million.

Irving put the total value of the cash offer and a planned restructuring at \$1.1 billion to \$1.2 billion. Italy's second-biggest bank is offering \$65 per share for 50.4 percent of Irving's common stock in a tender offer that begins Tuesday.

Irving said its complex restructuring plan includes the sale of its 30-story Wall Street headquarters, a sharp immediate rise in annual shareholder dividends and a cost-cutting program.

Irving's shares fell \$1 to close at \$60.375 on the New York Stock Exchange.

Bank of Ireland is to buy First NH, New Hampshire's biggest bank, for \$370 million, Page 15.

Exchange as Wall Street reacted in confusion to the record, Bank of New York advanced \$1 to \$31.625. The deal, which would mark the largest foreign acquisition ever by an Italian bank, took analysts by surprise. About 62 percent of BCI is controlled by Italy's state industrial holding company, with the remainder on the open market.

Some bankers said the bid might signal that Italy's normally cautious public sector has taken an aggressive tack in gearing up for 1992, when the European Community is to open the financial services sector to unimpeded competition.

"It's risky in the sense that the U.S. banking market is extremely tough," said Guido Rosa, director-general in Milan for the French bank Societe Generale.

Irving, the 234-largest U.S. bank in terms of deposits, has \$24.13 billion in assets. BCI, which ranks second in Italy in terms of deposits, has \$60 billion in assets.

A spokesman for Irving, D. Emerson Phelps, said the deal with BCI would allow Irving's management to retain control of the company, although its board of directors would be expanded to include four representatives of BCI.

Bank of New York, which owns 4.9 percent of Irving, has been struggling to take over the bank company in a hostile merger valued at \$1.08 billion.

In spurring the hostile overtures, which began in September, Irving said it preferred to remain independent but that it was seeking a friendly merger partner. Hostile bids are rare in American banking. Bank of New York has proposed a slate of 16 nominees for election to the board at Irving's annual shareholders meeting, which begins Thursday. But Irving said that most business would be conducted at a reconvened meeting on Saturday to give shareholders time to digest the latest offer.

Bank of New York's offer for Irving, which was launched last month after regulatory approval, is for \$15 in cash and 1.575 of its common shares for each of Irving's 18.3 million common shares.

Michael Starr, a banking analyst with Duff & Phelps Inc. in Chicago, said Bank of New York had sweetened its offer, but would then have to re-begin the lengthy regulatory process that includes hearings before the Federal Reserve.

A merger between Bank of New York and Irving would create one of the 15 largest U.S. bank holding companies with combined assets of more than \$40 billion. BCI's offer was approved by the boards of both companies. A special \$10-a-share dividend would be payable to Irving stockholders upon completion of the deal, which is subject to regulatory approval and about one-third of the shares being tendered.

James L. Bellizzi Jr., a bank analyst with D.A. Davidson & Co., called the bid "a good alternative to what Bank of New York was proposing."

"I think part of the problem is the Street doesn't understand it all," he said, referring to the drop in Irving's stock price.

Joseph A. Rice, Irving's chairman, said the link with BCI would boost Irving's revenue and allow the two banks to cooperate on "dollar transfer operations, investment management, commercial paper, capital markets activities and trade finance."

In 1987, Irving had \$1.05 billion in revenue but posted a loss of \$193.3 million after raising its debt reserves to cover troubled Third World loans. (Reuters, AP)

Currency Rates

Table with columns for Currency, Bid, Ask, and other rates. Includes entries for US Dollar, Swiss Franc, West German Mark, etc.

Other Dollar Values

Table with columns for Currency, Bid, Ask, and other values. Includes entries for Argentine Peso, Australian Dollar, etc.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and other forward rates.

Interest Rates

Table with columns for Eurocurrency Deposits, Key Money Rates, and other interest rates.

Asian Dollar Deposits

Table with columns for Currency, 1 month, 3 months, 6 months, and 1 year rates.

U.S. Money Market Funds

Table with columns for Fund Name, Yield, and other details.

Gold

Table with columns for Location, Price, and other gold market data.

Prospects Grow for a Sale of Texas Air, Perhaps to Unions

By Claudia H. Deutsch

WASHINGTON — Frank A. Lorenzo, who fought tooth and nail with labor unions to build Texas Air Corp., may have to turn to them as the only buyers for his troubled airline empire, according to analysts. The unions are getting ready.

As problems mount for the embattled chairman of Texas Air, there is new speculation that Mr. Lorenzo might be forced to sell all or part of the nation's largest airline holding company. Its Continental Airlines and Eastern Airlines account for nearly 20 percent of U.S. air traffic.

Last week, the U.S. Transportation Department ordered an investigation of Texas Air to determine its financial and management fitness to run the two airlines.

At the same time, T. Allan McArthur, the Federal Aviation Administrator, said his agency had begun to inspect each of Eastern's 267 planes because the carrier had amassed about \$823,000 in outstanding proposed penalties for a variety of violations.

On Sunday, the secretary of transportation, James Burnley 4th, said the FAA would extend its scrutiny to Continental's fleet.

Mr. Burnley said he had decided to broaden the inspection program to Continental after an FAA computer sweep last week found about \$1 million in outstanding penalties against the airline.

Mr. Burnley said that he doubted that, as a result of the various investigations, his agency would revoke Texas Air's rights to operate its airlines. "I think that we will find, somewhere along the way, that Texas Air is willing to correct whatever problem we identify," he said.

If Texas Air did lose its operating rights, analysts said, the U.S. airline system would be thrown into chaos.

"I am not predicting that it will happen," said Lee R. Howard, executive vice president of Airline Economics, a Washington consulting concern. "But in the event of de-certification, airlines would exist temporarily. Other carriers simply could not move in that rapidly to fill the gap and so people who planned to travel on that carrier would be in trouble."

Some analysts said that actions less serious than de-certification might be taken by the regulators. These could include federal

appointment of a "czar" to temporarily oversee Texas Air's finances or forcing the company to divest itself of either Eastern or Continental.

Mr. Lorenzo said Sunday that there was nothing wrong with the operations of both airlines and he welcomed the new investigation.

But the adverse court rulings and Transportation Department's action appeared to rule out the possibility that Mr. Lorenzo could force the showdown on his terms. On Wall Street, some analysts speculated that Mr. Lorenzo would be forced either to settle with his unions or to sell.

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"Having come to something of an impasse as to the balance of power, maybe Charlie Bryan," the head of the machinists, who has fought with a series of Eastern management, "would show a wave of statesmanship, and Frank Lorenzo would show a wave of statesmanship, and they would meet at Camp David and settle this thing," said Louis A. Marckessano, an analyst at Janney Montgomery Scott.

At the same time, the unions have been meeting with financial advisers to discuss what kind of offer for the airline or airlines might succeed. Eastern's pilots retained Boocoe Co., an investment advisory firm set up by the corporate raider T. Boone Pickens.

The company put together a proposal to ride out a strike and replace the striking workers. See AIR, Page 15

analysts said, the U.S. airline system would be thrown into chaos.

"I am not predicting that it will happen," said Lee R. Howard, executive vice president of Airline Economics, a Washington consulting concern. "But in the event of de-certification, airlines would exist temporarily. Other carriers simply could not move in that rapidly to fill the gap and so people who planned to travel on that carrier would be in trouble."

Some analysts said that actions less serious than de-certification might be taken by the regulators. These could include federal

appointment of a "czar" to temporarily oversee Texas Air's finances or forcing the company to divest itself of either Eastern or Continental.

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U.S. Factory-Use Rate Dips

By Claudia H. Deutsch

WASHINGTON — U.S. industry used less of its operating capacity in March, the third consecutive monthly decline, but several heavy manufacturing sectors showed higher operating rates, the Federal Reserve Board reported Monday.

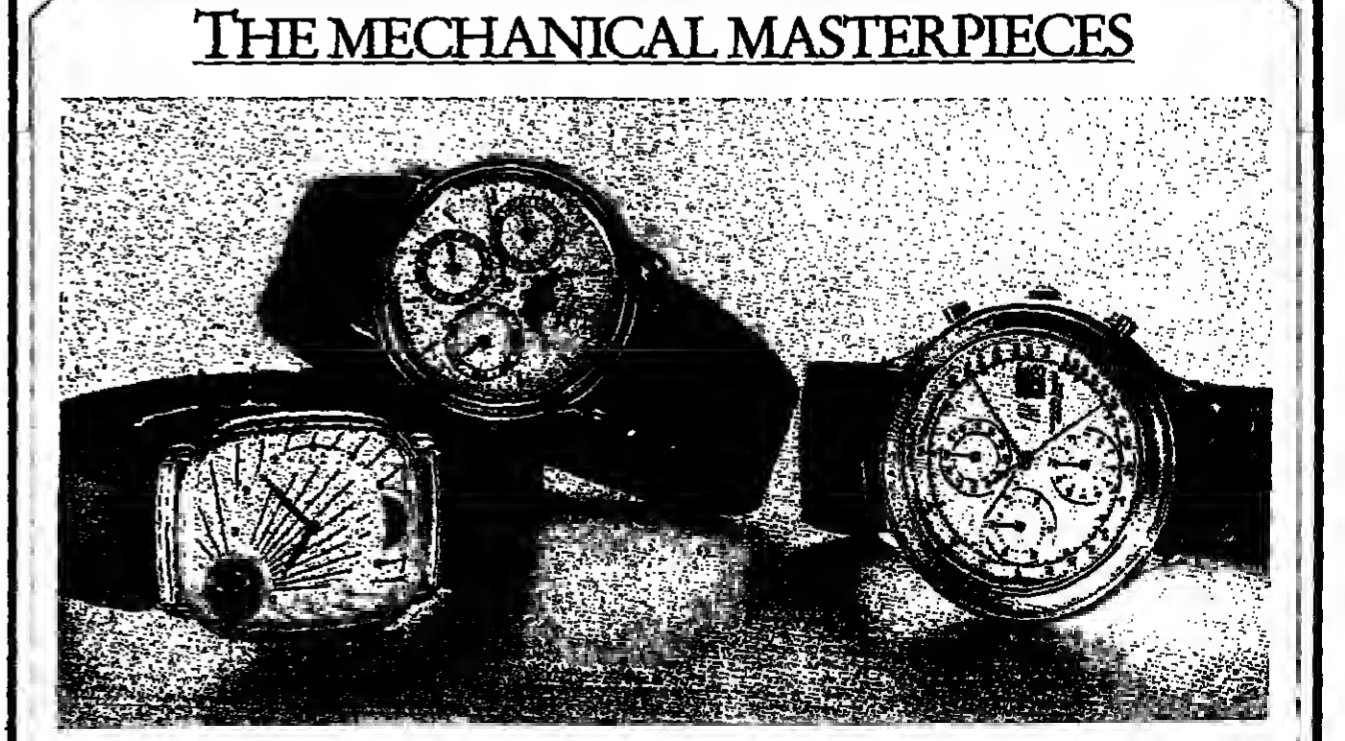
U.S. factories, mines and utilities operated at 82.3 percent of capacity last month, down from 82.4 percent in February and a revised 82.6 percent in January, the Fed reported. But the March rate was still far above the 79.7 percent level of March 1987, indicating that most industrial sectors remained busy.

The March decline reflected lower operating rates at utility companies, including electric power plants, and in the production of nondurable goods, items designed to last less than three years, the central bank said.

Despite the overall decline, the mining industry raised its operating rate to 80.3 percent of total capacity from 79.8 percent in February, while the rate for durable goods industries rose to 80.2 percent from 80.1 percent, it said.

The operating rate at all manufacturing industries slipped to 82.5 percent last month from 82.6 percent in February. Among utilities it fell to 81.8 percent from 82.8 percent.

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Advertisement for Falcon 900 executive jet service, featuring an image of the aircraft and contact information for Alq.

Escada advertisement featuring a woman in a dress and the text 'New spring-summer collection' and 'Export discount Marie-Martin'.

Advertisement for a financial institution with the text 'All works' and 'institution'.

NYSE Most Actives table with columns for Volume, High, Low, Last, and Change.

Market Sales table showing NYSE 4 a.m. volume, NYSE 4 a.m. volume, and other market statistics.

NYSE Index table with columns for High, Low, Close, and Change.

Monday's NYSE Closing logo and text: Via The Associated Press.

AMEX Diary table with columns for Class, Prev., and Change.

NASDAQ Index table with columns for Class, Prev., and Change.

AMEX Most Actives table with columns for Volume, High, Low, Last, and Change.

Dow Jones Bond Averages table with columns for Bonds, Utilities, and Industries.

NYSE Diary table with columns for Class, Prev., and Change.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, and Short.

Dow Jones Averages table with columns for Open, High, Low, Last, and Close.

Standard & Poor's Index table with columns for High, Low, Close, and Change.

NASDAQ Diary table with columns for Class, Prev., and Change.

AMEX Stock Index table with columns for High, Low, Close, and Change.

N.Y. Stock Prices End Mixed

Main article text discussing stock market performance, Dow Jones index, and analyst comments.

Large grid of stock price listings for various companies, organized by letter (A through O).

Large grid of stock price listings for various companies, organized by letter (A through O).

Handwritten Arabic text: مكرمان الاصيل

Vertical text on the right edge of the page, including 'BUSINESS' and 'Chas'.

BUSINESS ROUNDUP

Chase and Continental Earnings Up

NEW YORK — Chase Manhattan Corp. reported Monday that its first-quarter net income soared 166 percent to \$276.9 million, largely on asset sales and tax benefits. Continental Illinois Corp., another leading U.S. bank, posted a profit rise of 59 percent for the quarter, to \$68.5 million.

BNP's Net Profit Fell 5% Last Year to 3 Billion Francs

PARIS — Banque Nationale de Paris reported Monday that its consolidated net profit fell 5 percent in 1987 to 3.01 billion francs (\$533.9 million) as it boosted its capital in a move to comply with new global banking standards. The capital increase, which raised total equity plus provisions to 30.9 billion francs, will help the bank meet new standards for capital adequacy by 1992. BNP said the Cooke committee, a group of banking supervisors from the Group of 10 major industrial nations and Luxembourg, has proposed that banks hold capital equal to 8 percent of risk assets by that deadline. BNP said that a slight 1.6 percent rise in net banking income, to 29.84 billion francs from 29.36 billion francs, was not enough to offset a surge in costs resulting largely from investments in electronic technology and other information technology. The bank also said it transferred 2.38 billion francs from operating provisions to its reserves for bad and doubtful debt, boosting its coverage to 50 percent of exposure. Operating profit dropped 6 percent, to 9.42 billion francs. BNP said its domestic earnings fell 8 percent to 7.58 billion francs despite higher income from its French consumer retail and credit businesses. Foreign income climbed 8 percent to 1.85 billion francs from 1.7 billion. Income growth was particularly strong in Asia and the South Pacific, the bank said. Parent company net profit rose 33 percent, to 1.55 billion francs from 1.16 billion. BNP's consolidated balance sheet total climbed to 975 billion francs from 915 billion francs at the end of 1986. Private client business now represents 31 percent of the bank's activity, up from 27 percent in 1986. BNP said it expanded its activity in the financial markets last year, aided by a boost in commissions from France's sales of state companies to the public. The bank's ordinary capital is fully owned by the government. Only its investment certificates, or CIPs, are publicly traded. The bank said it would propose a 1987 dividend payout of 11.50 francs per share (\$2.04), up from 11 francs in 1986, and 17.25 francs per CIP, up from 16.50 francs.

France Bars Ferruzzi From Saint Louis Bid

PARIS — The government on Monday barred Gruppo Ferruzzi of Italy from bidding for France's second-biggest sugar producer, Saint Louis-Bouchon SA, for five years or from building a stake in the company. In a joint statement, the French finance and agriculture ministries ordered Ferruzzi to confirm its withdrawal from Saint Louis before Friday. Ferruzzi bought the Lesieur edible oils unit of Saint Louis in February for about 1.5 billion francs (\$266 million). The acquisition was completed through Beghin-Say SA, France's largest sugar producer, in

At JAL, Ballast of State-Run Days Slows a Takeoff Fueled by Travel Boom

TOKYO — A travel boom backed by the strong yen will continue to boost Japan Air Lines Co. in the short term, but in the longer term it will have to trim the top-heavy bureaucracy left from its state-owned days, analysts say. Last December, the state sold its remaining 34.5 percent stake in the airline, which had been a government-run flag carrier. "The airline industry is going to grow, and all JAL has to do is sit there and grow with it," said Jim Doherty, an analyst for Jardine Fleming (Securities) Ltd. JAL has forecast a parent current profit of 24.9 billion yen (\$200.9 million) for the year that ended March 31, up from 3.65 billion yen a year earlier. It expects sales to rise 6 percent to about 830 billion yen. But analysts say JAL, whose costs are among the highest in the industry, may lose market share if it cannot lower personnel costs. Management is already meeting union opposition over its attempts to cut costs. JAL's fight against high costs has been helped by a fall in fuel prices, but not enough to offset labor expenses, which are almost 25 percent of total costs. Analysts say JAL formerly gave in too quickly to union demands, thus inflating wages and staffing levels. JAL has more people in its cockpits and more flight attendants per passenger than any other airline, a spokesman said. The company hopes to cut 1,000 members of its Japanese ground staff of 12,000 by 1991, moving many of them to affiliates. The union representing JAL flight crews recently struck for two days over crew-cutting measures, the first strike since the state sold off its remaining interest. JAL plans to use only two people to fly the new 747-400 jet, but the union wants three, citing safety factors. Yoshihiro Miura, vice president of the All Japan Labor Union, said the union agreed on the need to raise productivity, but said it should not be done through staff cuts. The union represents almost 70 percent of the staff. About 70 percent of JAL's costs are incurred in Japan. Thus, the airline gains little from the depreciation of some other currencies against the yen. "To some extent JAL is a high yen beneficiary, but it has the misfortune to be one of the few Japanese companies to have much of its costs in yen and income in dollars," said Mr. Doherty of Jardine.

Olivetti Buys Daimler Seeks to Raise Its Stake in Dornier

BONN — Daimler-Benz AG, the diversified automotive manufacturer, is interested in raising its stake in the aerospace company Dornier GmbH, a Daimler spokesman said Monday. But a spokeswoman for the Dornier family, which holds most of the shares outside Daimler's control, said family members wanted to keep their stake and run Dornier as an independent company. Daimler holds 65.5 percent of Dornier. The family controls about 30.5 percent, and the state of Baden-Wuerttemberg holds the remaining 4 percent. Meanwhile, the price of shares in the electrical group AEG AG has fallen sharply since Friday, when Daimler, the majority share owner, disappointed speculators' hopes with the terms of an offer for the shares it does not hold. Daimler-Benz offered one Daimler share for five AEG shares, or 200 Deutsche marks in cash per share. Daimler shares closed Monday in Frankfurt at 637 DM, up from 628 DM Friday. A one-for-five swap on that basis would value AEG shares at only 127 DM. AEG shares closed Monday at 207 DM, down from 236.80 DM on Friday. AEG shares had risen as high as 264.50 DM in mid-March on rumors that Daimler would make a two-for-five offer. "The one-for-five offer was obviously disappointing for owners of AEG shares — or should one say for those who speculated in AEG shares," one dealer said. He noted that AEG shares had long been buoyed by speculative demand. Share analysts said the offer was reasonable and noted that AEG last paid a dividend in 1973. Daimler has offered AEG shareholders who do not want to sell their shares a guaranteed dividend equal to one-fifth of the Daimler dividend.

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Table with 4 columns: Item, 1987, 1986, Change. Rows include Profit before tax, Earnings per share, Dividends, and various international fund names.

Be sure that your fund is listed in this space daily. Telex: Matthew GREENE at 61359F for further information.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 18th April 1988. Large table listing various international funds with their symbols and prices.

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Close, Chg. Includes various stock listings.

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NTT of Japan to Launch An Integrated Digital Network in 3 Big Cities
Agency France-Prese
TOKYO — Nippon Telegraph & Telephone Corp. is introducing Tuesday its integrated services digital network, which NTT calls a world first.

Paris Commodities
April 18
SUGAR
Class 100
Close 18.00
High 18.10
Low 17.90
Ask 18.10
Bid 17.90

London Metals
April 18
ALUMINUM
Close 1250
High 1260
Low 1240
Ask 1250
Bid 1240

Dividends
April 18
Company INCREASED Per Amt Pay Rec
TJX Companies USUAL 0.12 6-2 5-12

Company Results
Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

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BUSINESS ROUNDUP

Bank of Ireland to Buy Unit in New Hampshire

Compiled by Our Staff From Dispatches LONDON — Bank of Ireland, a leading Irish commercial bank, said Monday it had agreed to acquire First NH Bank Inc. of New Hampshire through its U.S. holding company for \$370 million. The Irish bank, which is seeking to expand abroad and diversify its sources of income, said it would buy the U.S. bank holding company for \$30.50 a share. First NH would retain its name and current management. With assets of \$2.5 billion and a 1987 net profit of \$23.4 million, First NH is the largest bank holding company in New Hampshire. Bank of Ireland, which has assets of about \$15 billion, will draw on three sources to finance the bid: its surplus capital, a 74 million Irish pound (\$118.9 million) one-for-four rights issue, and a \$75 million issue of preferred shares by its American holding company, Bank of Ireland (U.S.) Holdings Inc. The rest of the financing will come from internal resources and other borrowings, the bank said. On the London Stock Exchange, Bank of Ireland's shares fell 9 pence to 216 pence (\$4.11) on the announcement. First NH is primarily involved in commercial banking and has avoided loan business that has caused problems for other U.S. banks, Bank of Ireland said. It has no exposure to developing country debt and insignificant exposure to the troubled energy and agricultural sectors, it added. Bank of Ireland, which will report its results next month for the year to March 31, said it expected a net profit of about 65 million Irish pounds, against 50.9 million pounds the previous fiscal year. It projected earnings per share at 34 pence, up from 29 pence in 1986-87. The bank will recommend a final dividend of 7.75 pence, for a total of 11.75 pence against 10.14 pence the previous year. Bank of Ireland's exposure to developing country debt amounts to about 87 million pounds. The bank said the additions to reserves would boost its coverage to about 30 percent of loan exposure. At 150 Irish pence a share, Bank of Ireland's stock issue is priced at a heavy discount and therefore will not be underwritten. The offering follows a successful discounted rights issue by the bank in June. Many analysts have been expecting a bid for First NH since New Hampshire drafted legislation relaxing its banking laws. The bill is expected to be signed this month. (Reuters, AP)

Hanson Trust Names Second Vice Chairman

New York Times Service Hanson Trust PLC, the British conglomerate, has promoted Martin G. Taylor from senior executive director to vice chairman. Mr. Taylor, 53, joins Derek N. Rosling, 58, in that rank. Lord Hanson, Hanson's chairman, is 65, as is Sir Gordon White, who runs Hanson's extensive American operations. Both have said they plan to stay on until the age of 70. Mr. Taylor said, adding that his appointment was unrelated to any succession plans. He said Mr. Rosling "spends a good deal of time in the U.S. and I suspect that was one reason for my appointment." Mr. Taylor joined Hanson in 1969 after six years with Dow Chemical Co. in Britain. "I learned the value of informality in running a business working for an American company," Mr. Taylor said. Hanson's U.S. holdings include Smith Corona typewriters, SCM Chemicals, Kaiser Cement and Jacuzzi Whirlpool products, to name a few.

HARLEY: U.S. Bike Maker Roaring Along, for Now

(Continued from first finance page) develop hedges against the declining motorcycle market. Harley has contracts to supply bomb casings for the military, to make computer peripherals and to machine parts. And late last year it acquired Holiday Rambler, a leading maker of recreational vehicles and of delivery vans. The company recently introduced the Ultara, a small walk-in van that uses a chassis made by Harley. Harley's recent tactics have won it fans on Wall Street. "They have kept a close eye to the bottom line, and have improved their product, their processes, their marketing and their mix," said William D. Tidy, an analyst at Dean Witter Reynolds, James Schainuck, an analyst with Ladenburg, Thalmann, said: "Harley's success should follow going public is ironic. For this was Harley's second trip to the public well. And in many ways, its troubles began with its first trip. In 1965, Harley, then in operation for 62 years, had a niche that no other company could come near. The BMW motorcycle was the Mercedes of the bike world; the Triumph was the main sporty model; Honda was known primarily for tiny bikes. But Harley — well, the Harley 'hog' that was a motorcycle. There was nothing delicate about it. It had big grips, big levers, big foot rests, a big engine. It made a throaty, rumbling, threatening sound. It was the Harley hog that Marlon Brando rode in 'The Wild One'; it was the Harley hog that leather-jacketed bikers roared into town. Few Harley riders did the sorts of unsavory things that were associated with motorcycle gangs. But they wanted to look as though they could. 'You pull up next to a guy in a station wagon and you're riding a Harley, that guy gives you respect,' said Mr. Dean of Cycle World. 'If you were riding a Honda, he'd smile at you.' By the mid-1960s Harley was making about 15,000 bikes a year, and had revenue of about \$49 million. To grow larger than that, it needed cash. So in 1965, it went public. And in 1969, at the height of the conglomerate era, Harley was bought by American Machine & Foundry Co. AMF was a volume-oriented company, and Harley got its wish for growth. By 1973 it was churning out 37,000 cycles a year and sales of \$122 million. But Harley's relatively unsophisticated design and production systems could not keep up with that level of production. 'AMF was just about the ruin of Harley-Davidson,' said one dealer. 'They had no quality control. They forced Harley to overproduce bikes, and they forced us to take them.' Yet such was the Harley mystique that dealers and bikers alike willingly did the frequent repair work that Harley required. They might have done so indefinitely. But AMF did the unthinkable: It insisted that its name, not Harley's, be emblazoned on the bikes' fuel tanks. 'Harley people refused to buy AMF bikes, and sales plunged,' said Mr. Dean. By the time Mr. Beals joined Harley in 1975, the company's quality problems were formidable. So he went into high gear. He insisted that every Harley bike, not just a sample, be inspected as it came off the line. He changed the title the company used. He elicited workers' suggestions for shoring up quality. And he asked AMF for \$80 million to help Harley build a new type of engine. Whether a new generation of motorcyclists will emerge remains a question. Beginner bikes remain scarce. Honda has introduced some new scooters and lightweight bikes that might attract first-time riders, but they are unlikely to have the same impact on motorcycling that the old Honda 50ccs and 90ccs did. Still, Harley dealers are banking that, even if the overall market continues to decline, their share will remain high. Most predict a sell-off in 1988, and few fear the 1990s.

Pennzoil to Buy Facet for \$250.8 Million

The Associated Press TULSA, Oklahoma — Facet Enterprises Inc., which has been fighting off a takeover attempt by Prospect Group Inc., announced Monday that it had agreed to be acquired by Pennzoil Co. in a \$250.8 million transaction. Pennzoil is to pay \$32 a share in cash for all Facet shares outstanding. The prospect's most recent offer of \$27.50 a share. Prospect, based in New York, announced that it was extending its offer until late Monday afternoon. In afternoon trading on the New York Stock Exchange, Facet shares rose \$3.50 a share to \$31.75. Facet, based in Tulsa, makes and markets filters under the Purolator brand name and for the private label market. The Pennzoil offer came less than two weeks after Pennzoil received a \$3 billion settlement from Texaco Inc. to end their four-year legal battle over Texaco's 1984 acquisition of Getty Oil Co. Mr. Bob Harper, spokesman for Pennzoil in Houston, said the company had cash available for the acquisition before the settlement with Texaco. "We had been looking at this possibility for a number of weeks prior to the settlement," he said. "I really don't think that you can put these two things together." Mr. Harper said Pennzoil's board and senior management would meet in time to discuss other possible acquisitions. He said the Facet purchase would be the largest for Pennzoil in several years. The agreement with Pennzoil was unanimously approved by the Facet board, Facet announced. Fully diluted, Facet has more than 7.8 million shares outstanding. Under the plan, a cash tender offer by a subsidiary of Pennzoil will begin as soon as practical for all shares of Facet common stock. After completion of the tender offer, Facet is to be merged with Pennzoil's subsidiary. Pennzoil has told Facet that it has sufficient cash to complete the transaction.

Talks on Sale of Govan Yard

Reuters GLASGOW — Govan Shipbuilders Ltd., one of Britain's last major state-owned shipyards, said Monday it had discussed its sale to a Norwegian shipping group. Exploratory meetings have taken place between Kvaerner Industries of Norway and GSL in conjunction with the British government with regard to a possible purchase of GSL by Kvaerner, said a statement by Govan's chairman, Eric Mackie. Mr. Mackie said the talks began after Kvaerner officials visited the Scottish yard by the River Clyde near Glasgow. He said no decisions would be made until the Norwegian engineering and shipbuilding group formally declared its intention. Mr. Mackie said a combination would be beneficial to Govan and its workers. Fears for 2,000 jobs at the yard have grown since news of the talks was disclosed during the weekend. Industry sources say a sale of Govan would probably lead to the sale or closure of the state British Shipbuilders group's remaining yards. Opposition politicians planned to raise the matter in Parliament while the Confederation of Shipbuilding and Engineering Unions was to ask British Shipbuilders for an explanation. "If Govan goes, 40 percent of British Shipbuilders goes," said Campbell Christie, a Scottish union leader. "One of our concerns has been the loss of control over our own industries. How do we know they won't build a few ships then walk away from it?" Only the state-owned Harland & Wolff yard in Belfast would remain as a British-owned merchant shipbuilder of any size.

AIR: Unions as Owners?

(Continued from first finance page) acquire Texas Air for \$1.2 billion, with more than 25 percent of the financing coming from union pension funds. Under that plan, the unions would also agree to wage concessions to help finance operations and debt repayment, and borrow the rest. Eastern's unions made an offer for the airline once before, in the midst of the tumult that surrounded Mr. Lorenzo's purchase of the carrier. Early in 1986, the three unions at Eastern — the machinists, flight attendants and Air Line Pilots Association — hired a law firm to help develop a strategy in the event of a management change. In the end, according to a source familiar with the effort, the unions decided not to make offer for the whole airline. Instead, the unions encouraged members to individually purchase shares of Eastern to add their voting strength to the 22 percent of Eastern's common stock the unions controlled under a Wage Investment Program negotiated earlier with the company. When Mr. Lorenzo actually made his offer for Eastern, the unions shifted tactics. They subsequently hired Kelso Co., which located a financial source for the union effort to buy Eastern. They made an offer of their own for the airline, but it was too late. "Timing is still a question for the unions as they debate a bid for Texas Air should Mr. Lorenzo be forced to sell. 'It's possible there could be a sale by the end of the year,'" said a source familiar with the union situation. He said the "Texas Air empire is under a significant amount of financial pressure now and there's likely to be more within the next six months." Thus, the unions appear willing to wait and let the pressure from the various legal and government attacks build on Mr. Lorenzo. If Mr. Lorenzo is eventually forced to sell, however, the unions insist they have no interest in buying a stripped-down version of Eastern. If they buy it, said a source familiar with the union position, they want basically the same airline Mr. Lorenzo bought two years ago — complete with its own computerized reservations system, the profitable air shuttle service between Washington, New York and Boston, and all the routes it owned at the time of purchase. Eastern has about \$600 million in cash, which could provide sufficient funds for a leveraged purchase by an employee group, the Solomon Brothers Inc. analyst Julius Maltwitz noted in a recent report. (WP, NYT, LAT)

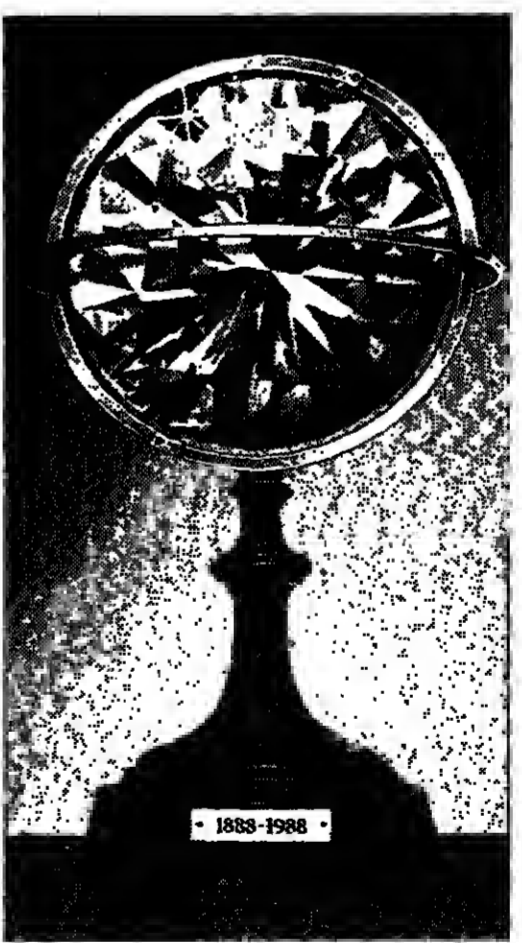
TRANS EUROPE FUND N.V. Amsterdam Shareholders are invited to attend the Annual General Meeting to be held on Friday, May 6, 1988 at 2:30 p.m. at the head office of the Algemene Bank Nederland N.V., Vijzelstraat 32, Amsterdam. AGENDA 1. Opening; 2. Report of the Management for the financial year 1987 and report of the Supervisory Board; 3. Adoption of the Annual Accounts for the financial year 1987; 4. Approval of destination of income; 5. Any other business. The respective documents are available at the office of the Company, Noorderstraat 6, Amsterdam. Holders of bearer shares wishing to attend the General Meeting must deposit their shares ultimately on Wednesday, April 27, 1988 before 4:00 p.m. with the Algemene Bank Nederland N.V. or with Banque de Neufilize, Schlumberger, Mallet, Paris. A deposit certificate will be issued to such shareholders, which, upon surrender, will entitle them to attend the meeting and cast their vote. Holders of shares registered with the Company in its shareholders register must inform the Managing Director in writing at least four days prior to the meeting that they wish to attend the meeting in person or by proxy. Amsterdam, April 14, 1988. ABN-de Neufilize International Investment Advisory Company B.V. (Managing Director)

October 1988 Oil and Money Conference. London Note these dates in your calendar now! The ninth annual International Herald Tribune/The Oil Daily "Oil and Money" conference will be held at the Inter-Continental Hotel in London on October 13 and 14, 1988. We will be gathering together an outstanding group of energy, financial and government leaders to address the conference. For full details, please contact: Jenni Bielenberg, International Herald Tribune, Conference Office, 83 Long Acre, WC2E 9JH. Telephone: (441) 379 4302 or telex 262008. Herald Tribune

De Beers still leads after 100 years-centenary marked by record sales, profits and dividend.

Extracts from Julian Ogilvie Thompson's Statement for 1987

It must be unique for a company which on its formation became the leader of an international business, indisputably still to hold that position at its centenary. Yet that is the achievement of De Beers Consolidated Mines. It is no less gratifying that in our centenary year the Central Selling Organisation should have been able to announce record sales of rough diamonds, and the Company to announce record profits and declare its highest dividend ever. The sharp fall in prices on world stock exchanges from the middle of October understandably caused hesitancy in diamond markets. Fulfilling its traditional role, the CSO responded by severely reducing its sales at the November and December sights and maintained its cautious policy into the new year. This action, together with reports of good Christmas sales in the retail trade, resulted in a restoration of confidence during the first quarter of 1988 and the market is once again firm. Further growth. For the fifth successive year world retail sales of diamond jewellery established a record, principally as a result of increasing consumer confidence and spending — a reflection in turn of further growth in the world economy. Sales of natural industrial diamonds and of synthetic abrasives and polycrystalline diamond (PCD) products were a record in both volume and value and the trend has continued into 1988. The Argyle mine in Australia, which in terms of volume is the world's largest producer, has been operating at full capacity for the last two years. The absorption by the market of most of the cuttable portion of its production has been remarkable. This has been greatly facilitated by the efforts of the CSO, both in its methods of assortment and sale and through its consumer advertising; by the constructive relationship between it and Argyle Diamond Sales; and by the ingenuity of the Indian industry, which manufactures the majority of these stones, in working them. Debswana Agreement. An important development during the year was the exchange by De Beers Botswana Mining Company (Debswana), in which the Government of Botswana is an equal partner, of part of the stock of diamonds accumulated in the depression of the early eighties for a five per cent shareholding in De Beers itself. The arrangements also entitle Debswana to representation on the boards of De Beers and the Diamond Trading Company. As the new mines discovered by De Beers geologists in Botswana have been brought into production in the last two decades, Debswana has become the western world's major producer of diamonds, by value, and it is entirely appropriate that it should participate fully in the decision-making of De Beers and the CSO. I am sure the arrangement will further strengthen the stability and confidence of the industry as a whole. Total production from De Beers' mines and Debswana in 1987 was marginally lower at 22,842,586 carats. The mines have continued to control costs



The diamond industry employs several million people in forty countries across four continents of the world.

satisfactorily in an inflationary environment. Our world-wide prospecting programmes have been continued; there are no discoveries of economic significance to report. The employment practices section of the annual report records the progress that has been achieved in important areas. I would mention in particular the growth in our home-ownership scheme and the success of the pre-university bursary scheme for black undergraduates. To improve understanding of the career opportunities offered by the mining industry and its educational requirements we have introduced a new system of liaison between the mines and secondary school teachers and pupils which should be of benefit to all concerned. Legislation removing job reservation in the mining industry has at last been passed but not yet brought into operation, pending the determination of new regulations. It is highly important that this long-outstanding matter should be brought to finality quickly, and that the regulations should facilitate the award of certificates of competency to qualified blacks. The Anglo American and De Beers Chairman's Fund and Educational Trust approved expenditure during the year of R49 million, of which some 80 per cent is on education, primarily to help redress the imbalance between the black and white educational systems. De Beers strongly supports rapid reform towards equal opportunity and dignity for all South Africans, based on full participation in the political process. Regrettably, I cannot report any notable progress in this direction in the year under review. The May 1987 election for the White Chamber of Parliament was fought largely on the issues of sanctions and security, and the response of the electorate, significantly, showed a marked swing to the right, with Afrikaans-speaking voters leaving the ruling National party for the Conservative party, while English-speakers swung from the Progressive Federal party and the New Republic party to the Nationalists. The overall effect was to make the Government much more concerned about pressure from its right — the Conservative party having replaced the Progressives as the official opposition — than from its left, and in consequence the reform process came almost to a halt. The Group Areas Act, one of the last great pillars of apartheid, is to be amended, not scrapped, and it remains to be seen whether the changes to be tabled will be bold enough to relieve the pressure on the few 'grey' residential areas that have been tolerated. KwaZulu/Natal Indaba. A measure of consolation may be found in the fact that some of the positive changes made in earlier years have continued to bear fruit. In industrial relations, in education, in housing and in black participation in business, particularly in the informal sector, there has been progress. A joint executive authority between Natal and KwaZulu has been established and the Government, notwithstanding some discouraging statements, is said still to be considering the innovative constitutional proposals of the KwaZulu/Natal Indaba. South Africa continues to be governed under a state of emergency, and recently far-reaching new restrictions were imposed upon a number of political and semi-political organisations. It is not easy to discern the reasons for what was done; if it is indeed true that South Africa can only be governed by such methods as these, then the need for constitutional reform is obviously greater than ever. Despite sanctions and disinvestment there has been a marked recovery in economic activity, and in the black urban areas at least there seems to be some improvement in the quality of life. The Government's major concern now is to embark on a wide-ranging reform of the economic system. That is certainly as important as it is welcome, but it has to be realised that economic progress and political reform go together. One effect of the recent bannings may be to intensify sanctions and disinvestment, counter-productive though they have proved to be politically, and damaging as they are to the livelihood of those they ostensibly seek to help. More than ever it is urgently necessary to negotiate and implement a constitution which can provide equal opportunity and political participation for all, protected by an entrenched Bill of Rights. The full Chairman's Statement is contained in the Annual Report of the Company for the year ended 31st December 1987 which was posted to registered Shareholders on 18th April 1988. De Beers Consolidated Mines Limited (Incorporated in the Republic of South Africa) London Office 40 Holborn Viaduct, London EC1P 1AJ.

BANQUE NATIONALE DE PARIS Joint - Stock Company with a capital of FRF 2,839,589,400. Registered office: 16, Boulevard des Capucines, PARIS (9<sup>e</sup>) Trade Register: PARIS B 662 042 449 Floating rate bonds 1983 - 1991 of US\$10,000. Notice is hereby given to the holders of floating rate notes due 1983-1991 of U.S.\$10,000 each that they have the option to present their notes to the redemption fund on 6 September 1988. The notes should be deposited not earlier than two months and not later than one month prior to the above date and shall be redeemed at par at the offices of the following establishments: - BANQUE NATIONALE DE PARIS - PARIS - BANQUE NATIONALE DE PARIS LUXEMBOURG S.A. - LUXEMBOURG - BANQUE NATIONALE DE PARIS PLC - LONDON

STRATEGIC INTERNATIONAL GOLD FUND S.A. Société Anonyme NOTICE OF MEETING Notice is hereby given that the first Annual General Meeting of STRATEGIC INTERNATIONAL GOLD FUNDS will be held at the Registered Office in Luxembourg, 10A, Boulevard Royal, on Wednesday, 11th May, 1988 at 11 hours. for the purpose of considering the following Agenda: 1. To receive and adopt the Management Report of the Directors for the year ended 31st December, 1987. 2. To receive and adopt the Report of the Statutory Auditor for the year ended 31st December, 1987. 3. To receive and adopt the Annual Accounts for the year ended 31st December, 1987. 4. To grant discharge to the Directors and the Statutory Auditor in respect of the execution of their mandates to 31st December, 1987. 5. To receive and act on the statutory nomination for election of Directors and the Statutory Auditor for a new term of one year. 6. To appropriate the earnings. 7. To transact any other business. The resolutions will be carried by a majority of those present or represented. The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the Meeting. By order of the Board of Directors, J.P. Moreau Secretary General

### Monday's AMEX Closing

Tables include the nationwide prices in the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	52 High	Low	Close	Chg.
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
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1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
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1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
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1.00	0.75	AA	1.00	1.00	0.75	0.85	+
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1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+
1.00	0.75	AA	1.00	1.00	0.75	0.85	+



# THE BELLE EPOQUE

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by Hebe Dorsey  
Eye-witness accounts of a shimmering era and its beautiful people — dazzling scandals — and crazy crazes — including the horseless carriage and flying machine!

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Signature \_\_\_\_\_ (necessary for credit card purchases)

### Floating-Rate Notes

April 28

Issuer/Mat.	Coupon	Next	Bid	Ask
Algeria France Jmt	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
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Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00

### Hongkong Bank Selling 3 Branches in Pacific

Agence France Presse  
HONG KONG — Hongkong & Shanghai Banking Corp. said Monday it had agreed to sell its branches in Fiji, Vanuatu and the Solomon Islands to Westpac Banking Corp. of Australia for an undisclosed sum.

The agreement follows the sale last year of the Hong Kong bank's 33.3 percent interest in the Papua New Guinea merchant bank Resources & Investment Finance Ltd.

"Retail banking in the South Pacific has not given us the return on capital that we normally expect," the Hong Kong bank said in a statement. The transfer of ownership will take place June 30 and will be finalized by Sept. 30.

The bank's Fiji branch lost money last year after two military coups on the island and a subsequent economic downturn, according to the bank's 1987 annual report.

### Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Ask
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00

### Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Ask
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
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Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00
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Algeria France W	7.40	12/15/88	102.00	102.00
Algeria France W	7.40	12/15/88	102.00	102.00

مكاتبنا في القاهرة



CURRENCY MARKETS

Pound Passes 3.15 DM and \$1.90

NEW YORK — The British pound, buoyed by the prospect of higher oil prices and a weaker dollar, closed above the levels of \$1.90 and 3.150 Deutsche marks Monday in New York.

London Dollar Rates table with columns for currency, rate, and change.

wants to get into sterling," said one British bank trader. Martin Rieben, a foreign exchange trader with Swiss Bank Corp., said that despite continued pressure on the dollar, foreign exchange traders were reluctant to sell the currency short because of the reaffirmation by the government of the G-7, the Group of Seven industrial democracies, that they will support the dollar.

But with central banks of the G-7, the Group of Seven industrial nations, expected to renew their concerted intervention around 1.6550 DM, there is little room for dollar maneuvering, they added.



From left, Hajime Tamura, Clayton K. Yeutter, John Crosbie and Willy De Clercq in Vancouver.

Wide Gaps Remain in Farm Talks

VANCOUVER, British Columbia — The U.S. trade representative, Clayton K. Yeutter, said after two days of negotiations that a wide gap remained between the United States and the European Community in the effort to cut farm subsidies.

each about \$20 billion a year. Washington has proposed that they be ended by the year 2000. Mr. Crosbie, assessing the talks on a wide variety of global trade issues, said, "We believe good progress has been made so far."

Recalling Hard Times, Japan Clings to Surplus, Aide Says

WASHINGTON — Because the memory of earlier years of hard times is still etched in the Japanese consciousness, the government has no interest in seeing Japan's hefty trade surpluses dissipated too quickly, Finance Minister Kiichi Miyazawa of Japan acknowledged in an interview at the conclusion of last week's meeting of the Group of Seven industrial nations.

Asked whether it was at all realistic to anticipate a trade deficit for Japan, he responded quickly: "You really don't know."

Mr. Miyazawa said current Japanese government policy is to encourage imports and discourage exports, which he strongly endorses. Further reduction of the trade and current account surpluses is a long-term commitment, he said.

Reminded of a prediction by the International Monetary Fund that Japan's trade surpluses would extend for the foreseeable future, Mr. Miyazawa responded: "Foreseeable" is perhaps too optimistic. We've got to be careful. I think I personally would not overdo it. Perhaps, my memory of past times "when Japan had been suffering, makes me think so. With a smile, he added: "We were born poor."

Gulf, OPEC Concerns Drive Oil Prices Up

NEW YORK — Oil prices rose Monday, driven by heightened tensions in the Gulf, by concerns about an approaching OPEC meeting and by technical factors, analysts said.

The closing price was still the highest since Dec. 4. Mary T. Bergonia, an analyst at E.D. & F. Man International Futures Inc., said "war talk" about hostilities in the Gulf was mainly responsible for the rise, with traders worried about restricted supplies.

Oil prices began rising last week following an announcement of joint meetings to be held in Vienna between members of the Organization of Petroleum Exporting Countries and non-OPEC nations.

Insider Trading: Will Tokyo's New Laws Change Anything?

By Patrick L. Smith International Herald Tribune TOKYO — Sometime in the next few weeks, Japan's legislature is expected to pass new laws on insider trading in the stock market for the first time in two decades.

The case attracted attention partly because company executives and a regional bank appeared to have unloaded Taitoh stock prior to any public announcement of company losses. A takeover of Taitoh by a former competitor was announced recently.

insider traders but to prevent the practice by encouraging self-regulation. To critics of the system, none of this is likely to help. Close definitions of insider trading, which the U.S. Securities and Exchange Commission has avoided, can be circumvented as soon as they are formulated, these observers say.

And it is precisely the brokers, they add, who often seem to be at the center of activities too to be defined as illegal. There is also the problem of "political stocks," issues apparently pushed by political machines to build up campaign funds.

Monday's OTC Prices

NASDAQ compiled as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is reported twice a year.

Table of Monday's OTC Prices listing various stocks and their prices.

Table of 12 Month High/Low Stock prices with columns for stock name, price, and change.

Table of 12 Month High/Low Stock prices (continued) listing various stocks.

Table of 12 Month High/Low Stock prices (continued) listing various stocks.

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Notes and legends explaining the data in the tables, including symbols for dividends and price changes.



SPORTS

Braves Break Slump By Beating Dodgers

Compiled by Our Staff From Dispatches. LOS ANGELES — After being rocked by 10 straight losses, the Atlanta Braves may finally be ready to roll. Zane Smith pitched a four-hitter and Damaso Garcia, breaking a 1-for-37 slump, hit his first National

BASEBALL ROUNDUP

League home run as the Braves ended a record losing streak here Sunday with a 3-1 victory over the Los Angeles Dodgers. "The Braves' dry spell had set a modern National League mark; six of their 10 defeats came at the hands of Los Angeles. Their victory left Baltimore — now 0-12 — as the only team in the major leagues without a triumph this season.

"It was kind of frustrating," said Atlanta Manager Chuck Tanner, referring to the team's early slump. "When we'd get the pitching, we wouldn't get the hitting. Today, we got the hit and quality pitching. The players handled the streak well, they're all good and I know they're happy."

"I canceled tomorrow's workout because we're going so good," Tanner added, jokingly. "It's a big relief," said Smith, who gave up four singles, struck out five and walked one while recording Atlanta's first complete game of 1988. "The pressure is off and we can go on about our business," he said. "We just have to concentrate and do what we do best."

"I was basically trying to go after each hitter and get them out by one," Smith said. "Once I got the lead, I felt I couldn't let the team down." Don Sutton had a two-hit shut-out through five innings, but Atlanta took a 2-1 lead in the sixth. Albert Hall singled with one out, and Garcia followed by putting a 1-1 pitch into the left-field seats. Garcia's first homer since 1986, when he was with Toronto, the second baseman missed all of last year with torn knee ligaments. Mets 3, Cardinals 2: In New York, rookie Kevin Elster singled in Mookie Wilson from third base with two out in the ninth to give the Mets their sixth straight victory.

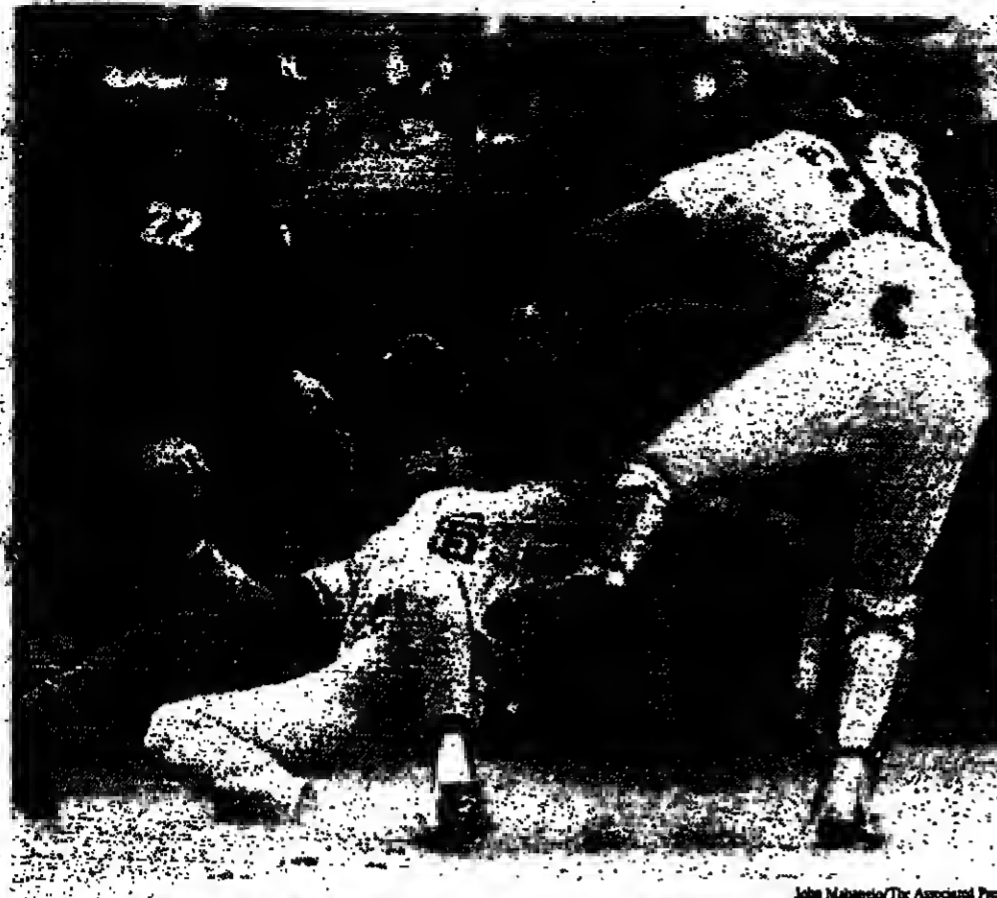
VANTAGE POINT/Ira Berkow South Africa and Pressure

NEW YORK — About 10 years ago, a cabinet minister in South Africa said, "If we go, we will pull the temple down." Such a marshalling attitude seems to exemplify the intransigence of the white ruling class in South Africa, a distinct and hugely powerful body that has withstood for many years, from much of the rest of the world, boycotts and threats from areas as diverse as the military, the commercial and sports.

None of the efforts by any outside groups or countries has had much effect on the brutalizing, dehumanizing system of apartheid that is the law of the land in South Africa. Surely, continuing boycotts and more positive actions against the government are needed. It is better to do something than to do nothing, and hope that these massing of somethings will eventually have an impact.

One wonders, though, about the threat by the International Amateur Athletic Federation's council to ban Britain from all international track events, including the Olympics, unless it suspends runner Zola Budd. The council stated that Budd should be banned from running for at least a year because of her ties to her native South Africa.

What did Budd do to merit possible suspension? Should she have considered that she be like Caesar's wife? Probably. But she didn't. Was it arrogance? Ignorance? Whatever, now what? Ban her for a year? Is that in the spirit of the law? The IAAF determined that Budd, although not breaking the letter of the law (she didn't compete), broke the spirit of the law. The "spirit" can be difficult to nail. The IAAF did not stipulate that Budd could not return to South Africa, it did not stipulate that she could not use the facilities. She should have considered that she be like Caesar's wife? Probably. But she didn't. Was it arrogance? Was it ignorance? Whatever, now what? Ban her for a year? Is that in the spirit of the law? Or should she be warned — clearly told that if anything similar occurs in the future for her or anyone else, then a suspension is warranted? The spirit of the law should



Mark Parent nailed Candy Maldonado high and hard for a second-inning out, but the Padre catcher's throwing error in the eighth allowed Maldonado to score San Francisco's eventual game-winning run.

Hussein Wins Boston Marathon

BOSTON — In the closest finish in the Boston Marathon's 92-year history, Ibrahim Hussein of Kenya overtook James Ikanga of Tanzania with 100 yards (91.4 meters) left and sprinted to a one-second victory Monday on a rain-soaked course. Hussein's time of 2 hours, 8 minutes, 43 seconds was the second fastest in the event's history and made him the first African to win here. Hussein won the New York City Marathon last November and the Honolulu Marathon six weeks later. "I like to make history," Hussein said. "I was also the first African to win New York City."

Ikanga finished in 2:08:44 and John Treacy of Ireland, who had announced only on Saturday that he would compete, was third in 2:09:15. Ikanga held a slight lead over Hussein during the final mile of the 26.2-mile (42.19-kilometer) race. But he finished with 30 yards left, Hussein glanced back — his lead was safe, but not by much. "The previous closest winning margin had been two seconds, in 1978, when Bill Rodgers edged Jeff Wells, and in 1982, when Alberto Salazar beat Dick Beardsley."

The women's race lacked the drama of the men's. Defending champion Rosa Mota of Portugal took the lead early and breezed to her fifth consecutive marathon victory in 2:24:30. She won here last year in 2:25:21; the women's record of 2:22:42 was set in 1983 by Joan Benoit Samplonius.

SCOREBOARD

Baseball table with columns for team, W, L, Pct., GS. Includes American League and National League divisions.

Sunday's Major League Line Scores table with columns for team, score, and inning.

Major League Leaders table with columns for player, team, and stats.

National League table with columns for team, W, L, Pct., GS.

Major League Standings table with columns for team, W, L, Pct., GS.

Baseball table with columns for team, W, L, Pct., GS.

National League table with columns for team, W, L, Pct., GS.

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National League table with columns for team, W, L, Pct., GS.

SIDELINES

Soccer Riot Trial Adjourned at Outset

BRUSSELS (AP) — The trial stemming from the 1985 Heysel soccer riot opened Monday but was adjourned until Oct. 17 to give lawyers for the 29 defendants, including 26 British fans charged in the deaths of 39 spectators, more time to study some 50,000 pages of court records in the case. None of the 26 Britons attended Monday's session, in accordance with a pretrial agreement between the prosecution and defense lawyers to delay the proceedings. The defendants face charges of involuntary manslaughter; all are free, some on bail.

IAAF Strips Italian Jumper of Medal

LONDON (AP) — The International Amateur Athletic Federation has stripped an Italian long-jumper of his bronze medal from last September's world track championships in Rome because of "serious doubts" over his performance, officials said Monday. The IAAF council voted unanimously to scratch the sixth and last jump of Giovanni Evangelisti and award the bronze to American Larry Myricks, who had finished fourth. Evangelisti's final jump was announced as 27 feet, 6 inches (8.38 meters), but last month the Italian Olympic Committee ruled that Italian track officials had pressed the measurement for that distance. The ruling led to the resignations of several officials of the Italian track federation. Evangelisti, absolved by the IAAF of blame in the case, had offered earlier this year to give up his medal.

Quotable

■ New Jersey wing Aaron Broten on why he doesn't watch highlights of other teams' Stanley Cup games: "Postmen don't go for walks on their days off."

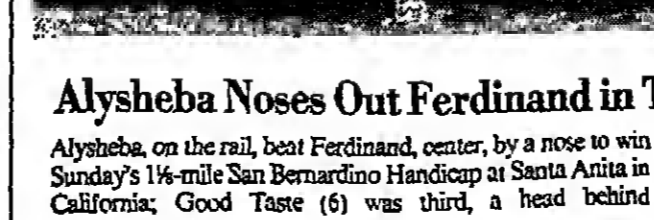
Tennis

WOMEN'S TOURNAMENT (AT Amelia Island, Florida) Singles Final Martina Navratilova (2), U.S., def. Gabriela Sabatini (3), Argentina, 6-0, 6-2.

Transition

BASEBALL American League TORONTO — Placed Jimmy Rice, pitcher, on the 15-day disabled list. Recalled Lou Thornton, outfielder, from Syracuse of the International League.

Norman Wins for Himself And a Pal



All smiles: Greg Norman and friend. final hole, missed a 20-foot (6.09-meter) birdie putt that would have forced a playoff. Hutton grinned broadly and shook hands with a smiling Norman, who tousled the youngster's hair. "I just want to thank Jamie," Norman said. "He showed me inspiration and courage. He told me at breakfast for pals on the last two holes. "I'm not out here to be a hero. I just wanted to fulfill a wish for him," said Norman. When I was over the putt on the 18th, I said to myself, 'This is for Jamie.' "Everybody has heroes. Some people like movie stars — I just like Mr. Norman," said Hutton, who was to enter a hospital in Wisconsin Monday "for as long as three months or so" for as six weeks. "He has promised Norman that he will be out of the hospital in time for the Western Open, June 30-July 3. 'That's his goal,' Norman said. "I got my goal today." Norman scored his first PGA tour victory since 1986 with a 271 total, 13 under par. "I'm very excited about winning again — but I'm more excited for Jamie," he said. Frost, who has been runner-up six times without a victory in four seasons on the tour, was second again; his 70 tied him with Gil Morgan (a 68) at 272. Third-round leader Fred Couples had a closing 73 and finished fourth at 274. Paul Azinger (68) and David Ogren (69) were another two shots back. Sandy Lyle of Scotland, the Masters champion who was seeking a rare third consecutive victory, finished 70-279, eight shots back and tied for 13th. Norman, Morgan, Couples and Frost all were tied for the lead at the turn. Norman went ahead on the 10th with a pitch that left him a 4-foot birdie putt, and he was never headed thereafter. (AP/UPI)

Norman Wins for Himself And a Pal

Norman, accompanied by a gravely ill 17-year-old leukemia patient from Madison, Wisconsin, walked every step as his idol emerged from a four-man scramble with a bogey-free final round of 5-under-par 66. Hutton's trip to this resort island was arranged by Thursday's Child, a charitable enterprise that tries to grant wishes of seriously ill youngsters. Hutton sat with Norman beside the 18th green after the Australian had completed play and waited for the final groups to finish.

They watched as South African David Frost, the last man on the course and the only one with a chance to catch Norman on the final hole, missed a 20-foot (6.09-meter) birdie putt that would have forced a playoff. Hutton grinned broadly and shook hands with a smiling Norman, who tousled the youngster's hair. "I just want to thank Jamie," Norman said. "He showed me inspiration and courage. He told me at breakfast for pals on the last two holes. "I'm not out here to be a hero. I just wanted to fulfill a wish for him," said Norman. When I was over the putt on the 18th, I said to myself, 'This is for Jamie.' "Everybody has heroes. Some people like movie stars — I just like Mr. Norman," said Hutton, who was to enter a hospital in Wisconsin Monday "for as long as three months or so" for as six weeks. "He has promised Norman that he will be out of the hospital in time for the Western Open, June 30-July 3. 'That's his goal,' Norman said. "I got my goal today." Norman scored his first PGA tour victory since 1986 with a 271 total, 13 under par. "I'm very excited about winning again — but I'm more excited for Jamie," he said. Frost, who has been runner-up six times without a victory in four seasons on the tour, was second again; his 70 tied him with Gil Morgan (a 68) at 272. Third-round leader Fred Couples had a closing 73 and finished fourth at 274. Paul Azinger (68) and David Ogren (69) were another two shots back. Sandy Lyle of Scotland, the Masters champion who was seeking a rare third consecutive victory, finished 70-279, eight shots back and tied for 13th. Norman, Morgan, Couples and Frost all were tied for the lead at the turn. Norman went ahead on the 10th with a pitch that left him a 4-foot birdie putt, and he was never headed thereafter. (AP/UPI)

Alysheba Noses Out Ferdinand in Third Meeting of Derby Champions

Alysheba, on the rail, beat Ferdinand, center, by a nose to win Sunday's 1 1/2-mile San Bernardino Handicap at Santa Anita in California; Good Taste (6) was third, a head behind Ferdinand. It was the third meeting of the two Kentucky Derby winners; Alysheba had won in last month's Santa Anita Handicap and Ferdinand in the 1987 Breeders' Cup Classic.

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ART BUCHWALD

Speaks the Spokesman

WASHINGTON — Larry Speakes has been roundly criticized for putting words in President Reagan's mouth.



Buchwald

Speakes has been roundly criticized for putting words in President Reagan's mouth. "It's a bit wordy," Larry said.

There were some close calls for the Gipper, however. One time Speakes came into the Oval Office and said, "Sir, we have just secured Grenada."

A Farm Threat To Barrett Home

LONDON — Plans for a chicken farm near the childhood home of Elizabeth Barrett Browning have alarmed admirers and family of the poet as well as neighbors of the rural English estate.

A Lord of Hunch and Handshake

By Howell Raines

New York Times Service

LONDON — For 11 years now, the short, stout man has carried the dignified title of Lord Grade of Estree.



Lord Grade of Estree, plus cigar: "That's relationship!"

right behind "Heaven's Gate" among the legendary bombs of all time, might be all that people remember of a show business career that has already spanned more than 60 years.

he had water on the knee and a desire to become an agent. His cronies on the music hall circuit became the foundation of his new business.

follow through on his original vision. "I had to leave it to other people. They did their best. But it just didn't work."

On the desk is a notepad bound in silver where he jots names that pop into his head. This is his secret list of actors he may call about "Dangerous Love."

Gone With the Wind II

Heirs of Margaret Mitchell's estate reveal in the May edition of Life magazine that they have authorized novelist Alexandra Ripley to write a sequel to "Gone With the Wind."

Imprisoned auto heir John Francis Dodge must pay his former wife more than \$50,000 in alimony and attorney fees and \$1,200 a month in child support, a judge has ruled.

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PERSONAL MESSAGES

PRINCESS NAHLA: Welcome on your honeymoon. Thank you for all the love and giving. And I love you so, people ask me why I will love forever.

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